



**HOUSING AUTHORITY  
of the County of Los Angeles**

Administrative Office

2 Coral Circle • Monterey Park, CA 91755

323.890.7001 • TTY: 323.838.7449 • [www.lacdc.org](http://www.lacdc.org)



**Gloria Molina**  
**Yvonne Brathwaite Burke**  
**Zev Yaroslavsky**  
**Don Knabe**  
**Michael D. Antonovich**  
*Commissioners*

**Carlos Jackson**  
*Executive Director*

**AGENDA  
FOR THE REGULAR MEETING OF THE  
LOS ANGELES COUNTY HOUSING COMMISSION  
WEDNESDAY, MARCH 26, 2008  
12:00 NOON  
FOOTHILL VILLA  
2423 FOOTHILL BLVD.  
LA CRESCENTA, CA 91214  
(661) 255-5818**

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**1. Call to Order**

**2. Roll Call**

**Severyn Aszkenazy, Chair**  
**Adriana Martinez, Vice Chair**  
**Philip Dauk**  
**Lynn Caffrey Gabriel**  
**Henry Porter, Jr.**  
**Alberta Parrish**  
**Bertha Scott**

**3. Reading and Approval of the Minutes of the Previous Meetings**

Regular Meeting of February 27, 2008

**4. Report of the Executive Director**

**5. Public Comments**

The public may speak on matters that are within the jurisdiction of the Housing Commission. Each person is limited to three minutes.

**6. Staff Presentations**

No Staff Presentations

## **Regular Agenda**

### **7. Approve Agreement with Simpson & Simpson, CPAs for Financial Audit Services (All Districts)**

Recommend that the Board of Commissioners find that the approval of a one-year agreement for Financial Audit Services is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the action will not have the potential for causing a significant effect on the environment; approve the expenditure of an aggregate of up to approximately \$211,863 for financial auditing services provided to the Housing Authority under the attached Agreement for Financial Audit Services (Agreement) between the Community Development Commission of the County of Los Angeles and Simpson & Simpson, CPAs, if fully extended; approve the expenditure of additional funds of up to \$30,000 for any unforeseen, needed financial audit services. (APPROVE)

### **8. Approve Three Construction Contracts and Two Environmental Assessment and Remediation Agreements for Modernization of Eight Elevators at Three Housing Authority Senior Housing Developments (3)**

Recommend that the Board of Commissioners find that the approval of construction contracts and environmental assessment and remediation agreements for modernization of eight elevators at South Bay Gardens located in the unincorporated area of Los Angeles County, Marina Manor I and II located in Marina Del Rey, and Palm Apartments located in West Hollywood is exempt from the provisions of the California Environmental Quality Act (CEQA), as described herein, because the work includes activities that will not have the potential for causing a significant effect on the environment; approve and authorize the Executive Director to execute three construction contracts (Contracts) in the aggregate amount of \$2,273,000, in substantially the form of the attached, and all related documents, with ML Construction, to modernize eight elevators at the following three senior housing developments: South Bay Gardens located in the unincorporated area of Los Angeles County, Marina Manor I and II located in Marina Del Rey, and Palm Apartments located in West Hollywood, to be effective following execution by all parties and the issuance of the Notice to Proceed, which will not exceed 30 days following the date of Board approval; approve and authorize the Executive Director to execute two environmental assessment and remediation agreements (Agreements) in the aggregate amount of \$160,000, in substantially the form of the attached, and all related documents, with Rincon Consultants, Inc., for environmental assessment services related to the modernization of six elevators at the following two senior housing developments: Marina Manor I and II and Palm Apartments, to be effective following execution by all parties and the issuance of the Notice to Proceed, which will not exceed 30 days following the date of Board approval; authorize the Executive Director to use a maximum aggregate amount of \$2,433,000 in Capital Fund Program (CFP) funds allocated by the U.S. Department of Housing and Urban Development (HUD) for the purposes described herein, and authorize the Executive Director to approve

Contract change orders not to exceed \$486,600 for unforeseen project costs, using the same source of funds; authorize the Executive Director to incorporate up to \$2,919,600 in CFP funds into the Housing Authority's approved Fiscal Year 2007-2008 budget, for the purposes described above. (APPROVE)

**9. Housing Commissioners Comments and Recommendations for Future Agenda Items**

Housing Commissioners may provide comments or suggestions for future Agenda items.

Copies of the preceding agenda items are on file and are available for public inspection between 8:00 a.m. and 5:00 p.m., Monday through Friday, at the Housing Authority's main office located at 2 Coral Circle in the City of Monterey Park. Access to the agenda and supporting documents is also available on the Housing Authority's website.

Agendas in Braille are available upon request. American Sign Language (ASL) interpreters, or reasonable modifications to Housing Commission meeting policies and/or procedures, to assist members of the disabled community who would like to request a disability-related accommodation in addressing the Commission, are available if requested at least three business days prior to the Board meeting. Later requests will be accommodated to the extent possible. Please contact the Executive Office of the Housing Authority by phone at (323) 838-5051, or by e-mail at [marisol.ramirez@lacdc.org](mailto:marisol.ramirez@lacdc.org), from 8:00 a.m. to 5:00 p.m., Monday through Friday.

THE HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES

MINUTES FOR THE REGULAR MEETING OF THE

LOS ANGELES COUNTY HOUSING COMMISSION

Wednesday, February 27, 2008

The meeting was convened at the West Knoll Apartments, located at 838 West Knoll Drive, West Hollywood, California.

Digest of the meeting. The Minutes are being reported seriatim. A taped record is on file at the main office of the Housing Authority.

The meeting was called to order by Chair Severyn Aszkenazy at **12:25** p.m.

<b>ROLL CALL</b>	<b><u>Present</u></b>	<b><u>Absent</u></b>
Severyn Aszkenazy	X	
Adriana Martinez	X	
Philip Dauk	X	
Lynn Caffrey Gabriel	X	
Henry Porter, Jr.	X	
Alberta Parrish	X	
Bertha Scott	X	

**PARTIAL LIST OF STAFF PRESENT:**

Bobbette Glover, Assistant Executive Director  
Maria Badrakhan, Director, Housing Management  
Arlene Black, Manager, Housing Management

**GUESTS PRESENT:**

Mr. Robert Fortune, Member of the public  
Ms. Rivka Day, Kings Road resident  
Ms. Pam Komac, Kings Road resident  
Ms. Mary Ann Monier, Kings Road resident  
Mr. Keunecke Guenter, West Knoll resident

**Reading and Approval of the Minutes of the Previous Meeting**

On Motion by Commissioner Porter, seconded by Commissioner Martinez, the Minutes of the Regular Meeting of January 23, 2008 were approved. Commissioner Aszkenazy abstained.

On Motion by Commissioner Porter, seconded by Commissioner Dauk, the Minutes of the Regular Meeting of December 19, 2007 were approved.

#### **Agenda Item No. 4 - Report of the Executive Director**

Bobbette Glover reported on the following items:

Three candidates for Tenant Commissioner were recently interviewed, with none being recommended for appointment. The following suggestions were made for recruiting candidates: hold on-site meetings with the resident councils; complete a special mailing to resident council members; and conduct a meeting at the Housing Authority for Section 8 tenants. Commissioner Porter commented that a number of Tenant Commissioner candidates thought they were applying for employment, even though the position flyer states that these are volunteer positions. Commissioner Martinez suggested recruiting in Spanish and other languages. Commissioner Aszkenazy suggested that residents be told in advance that transportation to Housing Commission meetings is provided. Commissioner Porter stated that during the interviews the candidates were advised that transportation is provided.

Ms. Glover reported on the environmental remediation work at Ujima Village. Exxon Mobil will fund the total cost of the environmental assessment and the Water Board will oversee the process. The Department of Public Health will reviewed the work plan to ensure that the information received provides enough data to determine whether there is a health risk to the residents. Testing will begin in April. The Water Board sees this as an urgent matter and has indicated that remediation may necessitate relocation of the residents. Supervisor Burke has committed to the week of March 31 for a meeting with the residents, at which time the Water Board will discuss its roll and Exxon Mobil will provide details on the environmental assessment. Congresswoman Laura Richardson may attend. There are currently 166 occupied units. Staff anticipates that by June more residents will have relocated on their own. Residents are not currently entitled to relocation benefits because they are not required to move; however, relocation may be necessary during the remediation process. Part of the assessment includes the Magic Johnson park area.

#### **Agenda Item No. 5 – Public Comments**

Mr. Robert Fortune, a member of the public, stated that he is a homeless veteran and requested housing assistance. Esther Keosababian will provide Mr. Fortune with information about the Public Housing Homeless Veteran Program.

Ms. Rivka Day, Kings Road resident, stated that the residents have no recourse for resolving issues at their development and asked for assistance from the Housing Commissioners. Staff will assist Ms. Day after the meeting.

Ms. Pam Komac, Kings Road resident, raised questions about the processes used to appoint Housing Commissioners and to place items on the Housing Commission agenda. Ms. Glover responded that County Counsel has reviewed the applicable Ordinance and confirmed that the appointment of Housing Commissioners by the Board of Supervisors does not violate state law. Ms. Glover also stated that County Counsel has determined that it is acceptable practice to allow time at Housing Commission meetings for residents and

members of the public to bring issues and concerns to the Housing Commissioners, in lieu of permitting them to place items on the printed agenda.

Mary Ann Monier, Kings Road resident, expressed concerns about residents not receiving duplicate keys. Arlene Black, Manager of the Housing Management Division, stated that the Housing Authority is not required to issue more than one key if only one person is on the lease. Residents that submit a Living Aid Certification or a Reasonable Accommodations request can receive an additional key.

Mr. Keunecke Guenter (Paul), West Knoll resident, spoke about concerns at the West Knoll apartments and stated that he was representing the tenants. A list of his concerns was given to staff. Ms. Glover stated that a response to Mr. Guenter's concerns will be submitted to the Resident Council President. Commissioner Severyn suggested that staff perform a walk through of the site with Mr. Guenter to evaluate the issues first hand. Ms. Glover, suggested that Ms. Keisha Nathaniel, West County Property Manager, assist Mr. Guenter.

#### **Agenda Item No. 6 - Staff Presentations**

Marisela Crabbe and Kerrin Cardwell presented the Agency Plan for Fiscal Year 2008-2012 and responded to questions from the Housing Commissioners.

#### **Regular Agenda**

**On Motion by Commissioner Porter, seconded by Commissioner Dauk, and unanimously carried, the following was approved by the Housing Commission:**

APPROVE THE AGENCY PLAN FOR THE HOUSING AUTHORITY OF  
THE COUNTY OF LOS ANGELES (ALL DISTRICTS)  
AGENDA ITEM NO. 7

1. Recommend that the Board of Commissioners find that the attached Agency Plan, which consists of the Five-Year Plan for Fiscal Years 2008-2012 and the Annual Plan for Fiscal Year 2008-2009, as described herein, are not subject to the provisions of the California Environmental Quality Act (CEQA), because they will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners approve the attached Agency Plan, as required by the U.S. Department of Housing and Urban Development (HUD), to update the Housing Authority's program goals, major policies and financial resources, including the Capital Fund Annual Statement and Five-Year Action Plan, the Admissions and Continued Occupancy Policy for the Conventional Public Housing Program, the Public Housing Lease Agreement, and the Section 8 Tenant-Based Program Administrative Plan.

3. Recommend that the Board of Commissioners adopt and instruct the Chair to sign the attached Resolution approving the Agency Plan for submission to HUD, and authorizing the Executive Director of the Housing Authority to take all actions required for implementation of the Agency Plan.
4. Recommend that the Board of Commissioners authorize the Executive Director to execute all documents required to receive approximately \$5,980,536 in Capital Fund Program funds from HUD for resident programs, operating costs, and the rehabilitation of 2,184 housing units at 18 Conventional Public Housing Program developments throughout Los Angeles County, as described in the Agency Plan.
5. Recommend that the Board of Commissioners authorize the Executive Director to incorporate into the Agency Plan all public comments received and approved for inclusion by your Board; and authorize the Executive Director to submit the Agency Plan to HUD by April 17, 2008.

**On Motion by Commissioner Martinez, seconded by Commissioner Porter, and unanimously carried, the following was approved by the Housing Commission:**

APPROVE THREE ELEVATOR CONSULTING SERVICES AGREEMENTS  
FOR ELEVATOR MODERNIZATION AT THREE HOUSING AUTHORITY  
SENIOR HOUSING DEVELOPMENTS (2, 3)  
AGENDA ITEM NO. 8

1. Recommend that the Board of Commissioners find that the approval of consulting services agreements (Agreements) is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the action will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners approve and authorize the Executive Director to execute three separate two-year Agreements in the aggregate amount of \$169,570, in substantially the form of the attached, and all related documents, with IDS Group, Inc. (Consultant), to complete design services for the modernization of a total of eight elevators at the following three senior housing developments: South Bay Gardens located in the unincorporated area of Los Angeles County, Marina Manor I and II located in Marina Del Rey, and Palm Apartments located in West Hollywood, to be effective following execution by all parties.
3. Recommend that the Board of Commissioners authorize the Executive Director to use a maximum aggregate amount of \$169,570 in Capital Fund Program (CFP) funds included in the Housing Authority's approved Fiscal Year 2007-2008 budget, for the purposes described herein.

4. Recommend that the Board of Commissioners authorize the Executive Director to execute amendments to the Agreements, following approval as to form by County Counsel, to extend the time of performance for an additional year, to allow the Consultant to perform construction observation services during the construction phase of the project. Compensation for services for the additional year is included in the aggregate amount of \$169,570.
5. Recommend that the Board of Commissioners authorize the Executive Director to execute change orders to the Agreements, and all related documents, following approval as to form by County Counsel, to increase the Agreements by up to an aggregate amount of \$33,914, for unforeseen project costs, using the same source of funds described above.

**On Motion by Commissioner Porter, seconded by Commissioner Scott, and unanimously carried, the following was approved by the Housing Commission:**

AUTHORIZE EXECUTIVE DIRECTOR TO REQUEST RENEWAL OF  
FUNDING AND EXECUTE TWO HOUSING ASSISTANCE PAYMENTS  
CONTRACTS WITH THE U.S. DEPARTMENT OF HOUSING AND URBAN  
DEVELOPMENT FOR LANCASTER HOMES AND KINGS ROAD SENIOR  
HOUSING DEVELOPMENTS (3, 5)  
AGENDA ITEM NO. 9

1. Recommend that the Board of Commissioners find that requesting renewal of funding and executing two Housing Assistance Payments (HAP) contracts are not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the actions will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners authorize the Executive Director of the Housing Authority of the County of Los Angeles (Housing Authority) to request renewal of HAP funding and execute two HAP contracts with the U.S. Department of Housing and Urban Development (HUD) to continue the funding of rent subsidies at the Lancaster Homes and Kings Road senior housing developments located in the Cities of Lancaster and West Hollywood, respectively, following approval as to form by County Counsel.
3. Recommend that the Board of Commissioners authorize the Executive Director to execute additional administrative documents as may be necessary for the purposes identified above.



**On Motion by Commissioner Dauk, seconded by Commissioner Parrish, and unanimously carried, the following was approved by the Housing Commission:**

**APPROVE CONSTRUCTION CONTRACT FOR EXTERIOR IMPROVEMENTS  
AT CARMELITOS SENIOR HOUSING DEVELOPMENT (4)  
AGENDA ITEM NO. 10**

1. Recommend that the Board of Commissioners find that the approval of a construction contract for exterior improvements at Carmelitos senior housing development is exempt from the provisions of the California Environmental Quality Act (CEQA), as described herein, because the work includes activities that will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners approve and authorize the Executive Director of the Housing Authority of the County of Los Angeles to execute a construction contract (Contract) in the amount of \$288,262, in substantially the form of the attached, and all related documents, with DMS Construction, Incorporated (Contractor), to complete exterior improvements at the Carmelitos senior housing development located in the City of Long Beach, effective upon the issuance of the Notice to Proceed, which will not exceed 30 days following the date of Board approval, and execution by all parties.
3. Recommend that the Board of Commissioners authorize the Executive Director to use a total of \$288,262 in Capital Fund Program (CFP) funds provided by the U.S. Department of Housing and Urban Development (HUD), for the purposes described above.
4. Recommend that the Board of Commissioners authorize the Executive Director to approve Contract change orders not to exceed \$72,066 for unforeseen project costs, using the same source of funds described above.
5. Recommend that the Board of Commissioners authorize the Executive Director to incorporate up to \$360,328 in CFP funds into the Housing Authority's approved Fiscal Year 2007-2008 budget for the purposes described above.

**On Motion by Commissioner Martinez, seconded by Commissioner Parrish, and unanimously carried, the following was approved by the Housing Commission:**

APPROVE CONTRACT FOR KITCHEN AND BATHROOM FLOORING  
REPLACEMENT AT LANCASTER HOMES SENIOR  
HOUSING DEVELOPMENT (5)  
AGENDA ITEM NO. 11

1. Recommend that the Board of Commissioners find that the approval of a construction contract (Contract) for kitchen and bathroom flooring replacement is exempt from the provisions of the California Environmental Quality Act (CEQA), as described herein, because the work includes activities that will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners approve and authorize the Executive Director of the Housing Authority of the County of Los Angeles to execute a Contract in the amount of \$60,377, in substantially the form of the attached, and all related documents, with Arbia Investments, Inc., Dba Statewide Floors (Contractor), to provide for sheet vinyl flooring materials and installation services in the kitchen and bathrooms at the Lancaster Homes senior housing development, to be effective following approval as to form by County Counsel and execution by all parties.
3. Recommend that the Board of Commissioners authorize the Executive Director to use a total of \$60,377 in funds included in the Housing Authority's approved Fiscal Year 2007-2008 budget, for the purposes described above.
4. Recommend that the Board of Commissioners authorize the Executive Director to execute amendments to the Contract, following approval as to form by County Counsel, to increase the Contract by up to \$10,000, for any unforeseen needed services or materials, using the same source of funds described above.

**Agenda Item No. 12 – Housing Commissioner Comments and Recommendations for Future Agenda Items**

Ms. Glover provided an update on the Neighborhood Legal Services' Civil Rights lawsuit announcing that the judge decided to bifurcate the Civil Rights and the Housing Authority procedures and hear each separately. The hearing is scheduled for March 20, 2008.

Commissioner Martinez announced that she will not attend the March meeting.

Commissioner Porter thanked staff for providing a copy of the Agency Plan well in advance of the meeting.

Commissioner Scott regretfully announced that she will be transitioning out of public housing and moving to private housing effective April. Ms. Glover added that Commissioner Parrish will attend the NAHRO Conference in Washington, D.C. in Commissioner Scott's place.

Commissioner Aszkenazy announced that the City of Santa Monica is eliminating paper and plastic bags from their grocery stores. He recommended that bags be provided to housing residents affected by the date of the change.

Commissioner Porter adjourned the Regular Meeting of February 27, 2008, at 2:14 p.m.

Respectfully submitted,

  
CARLOS JACKSON  
Secretary –Treasurer

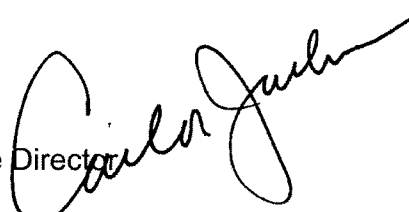
**Housing Authority - County of Los Angeles**

FOR YOUR INFORMATION ONLY

March 17, 2008

TO: Each Supervisor

FROM: Carlos Jackson, Executive Director



**SUBJECT: MONTHLY PROGRESS REPORT ON THE SECTION 8 PROGRAM**

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On March 13, 2007 your Board instructed me to report monthly on our progress to remove the Section 8 program from its Troubled status under Section 8 Management Assessment Program (SEMAP). This report covers the period between February 18, 2008 and March 17, 2008, and provides information on the following:

- Lease-up
- Annual Re-Examinations and Inspections
- The Impact of Socialserve.com
- The Impact of the Call Center
- Corrective Action Plan
- The Confirmatory Review
- The HUD OIG Audit Report
- YARDI Status Update
- The OIG Joint Audit for the City and County of Los Angeles
- Senate Section 8 Voucher Reform Act

**Lease-up**

As of March 1, 2008, our lease-up rate improved to 95.6%, representing a total of 19,841 assisted families throughout the County. We previously reported that our goal is reach 98% lease up by June 30, 2008. Because we are currently utilizing over 100% of our allocated subsidy funds we will complete the requests for new contracts in receipt, and then determine the additional number that can be issued based on available funding.

**Annual Re-examinations and Inspections**

We continue to remain current in maintaining our percentage rate at the level to achieve the maximum points for the SEMAP review. As of March 1, 2008, our rates were 1% and 3% for annual reexaminations and inspections, respectively.

Each Supervisor  
March 17, 2008  
Page 2 of 3

**Socialserve.com**

Socialserve.com continues to play a crucial role connecting our voucher holders with our participating landlords. For a 28-day period between February 17 and March 16, 2008, Socialserve.com averaged 3,867 total listings, 2,719 participating landlords, and 121,454 housing searches.

**Call Center**

Our Call Center is currently averaging approximately 3,500 calls per week, with an actual total of 14,127 for the period between February 18, 2008 and March 14, 2008. For your information, the average wait time for the stated period was 2 minute, 2 seconds.

**Corrective Action Plan**

HUD has informed us that they concluded their review of the documents we submitted to support completion of the items on the corrective action plan. However, they cannot move forward with providing a formal response because not all board members have completed the training.

**Confirmatory Review**

HUD has informed HACoLA that their confirmatory review of our SEMAP certification for the fiscal year ending 06-07, submitted on August 6, 2007, may not occur until April 2008.

**The HUD OIG Audit**

Based on our continued review of the citations cited for recommendations (1J) to withhold 10% of administrative fee starting in fiscal year 2008, and (1M) to reimburse HUD \$3.6M with outside counsel, we are planning to challenge these recommendations. This issue will be addressed in our formal response due to HUD on March 22.

Despite our disagreement with recommendation 1J, we have contracted with the Bronner Group to conduct an independent review of the YARDI software system implementation.

We are currently recruiting for the Assisted Housing Division director position. The position will be advertised in major housing authority journals as of March 24.

**YARDI Status**

As I reported to you on February 19, 2008, we have decided to postpone the go live date to May 1, 2008. This decision was made to provide staff with additional training and compliance review to support a smooth transition.

Each Supervisor  
March 17, 2008  
Page 3 of 3

**OIG Joint Audit of the City and County of Los Angeles**

The on-site review of HACoLA's files has been completed. The exit conference is pending until completion of the on-site review at the Housing Authority of the City of Los Angeles.

**Senate SEVRA**

The Senate version of SEVRA was released on March 3, 2008. It incorporates several of the recommendations housing advocates lobbied for as a result of the House version, which was passed July 12, 2007.

Some of the major provisions the bill is proposing include: the authorization of renewal of all existing vouchers, as well as authorizing the issuance of 100,000 additional vouchers for fiscal years 2009-2013. It would simplify the inspections process and income review process, as well as eligibility requirements based on assets and income, and includes in the administrative fee the cost of issuing new vouchers as well as an amount for the cost of FSS coordinators.

Overall, HACoLA is in support of the Senate version of SEVRA, as it would help improve program performance.

Please feel free to contact me if you have any questions or need additional information.

CJ:MLH

C: William T. Fujioka, Chief Executive Officer  
Lari Sheehan, Deputy Chief Executive Officer  
Sachi A. Hamai, Executive Officer/Clerk of the Board of Supervisors  
Each Deputy  
Los Angeles County Housing Commissioners



**Carlos Jackson**  
Executive Director

**HOUSING AUTHORITY  
of the County of Los Angeles**

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**Gloria Molina**  
**Yvonne Brathwaite Burke**  
**Zev Yaroslavsky**  
**Don Knabe**  
**Michael D. Antonovich**  
Commissioners

March 5, 2008

FOR YOUR INFORMATION ONLY

Ms. KJ Brockington, Director  
Office of Public Housing  
U.S. Department of Housing  
and Urban Development  
Los Angeles Field Office, Region IX  
611 West 6<sup>th</sup> Street, Suite 1040  
Los Angeles, CA 90017-3101

**SUBJECT: THE FAMILY SELF-SUFFICIENCY (FSS) PROGRAM**

Dear Ms. Brockington:

The Family Self-Sufficiency (FSS) Program is a HUD initiative intended to promote the development of local strategies to enable families both in public housing and the Housing Choice Voucher Program to achieve economic independence and self-sufficiency.

This report has previously been provided to the Housing Authority of the County of Los Angeles Housing Commissioners on a monthly basis. This report is now being provided to the HUD local field office and the Los Angeles County Board of Supervisors to keep all concerned parties abreast of the continuous efforts and accomplishments associated with this worthwhile program as part of the Corrective Action Plan.

**FSS Program Update for February**

- The Family Self Sufficiency staff continued its ongoing recruitment efforts, with a total of 82 new applicants, 77 of whom were eligible for the Family Self Sufficiency Program.
- Staff enrolled 31 new participants.
- Received 16 requests to graduate from the Family Self Sufficiency program.
- Staff conducted 4 recruitment workshops for interested families.
- Staff assisted participants in internet access, computer job search, and CalJOBS registration, Resource information on the WorkSource Network, Volunteer Income Tax Assistance Program, FSS workshops, Adult Education, Healthy Families Insurance program. The California Low Cost Auto Insurance Program, Scholarship programs and Job Fair information were disseminated during recruitment and case management activities



- Staff referred 42 FSS applicants to WorkSource Centers resource for job search assistance and 3 FSS participants for job search and resume writing and review assistance.
- Issued 3 Credit Repair packets to FSS applicant and 2 packets to existing FSS participants during the month of December.
- Communicated with and assisted over 250 FSS participants with general Housing Choice Voucher questions, FSS Program queries, issues and supportive services information.
- Resource information for employment opportunities, budgeting, money saving tips and homeownership workshops were disseminated to 46 FSS participants and applicants during January appointments.
- Referred 1 Section 8 tenant to Operation Hope Home Ownership Program per the tenant's request.
- Referred 16 FSS participant to the CDC Home Ownership Program (HOP) per the tenant's request.
- The FSS Program staff conducted two individual graduation ceremonies during recruitment workshops, graduating these successful participants before an audience of potential applicants, family members, guests and Assisted Housing Staff.
- During the month of February, \$15,152.27 in Family Self Sufficiency escrow funds was disbursed to successful graduates.

### Graduates

During the month of February, there were 4 graduates from the Family Self Sufficiency's Housing Choice Voucher Program. The total number of graduates to date is 191.

If you have any further questions, please feel free to contact me at (562) 347-4837.

Sincerely,



MARGARITA LARES, Acting Director  
Assisted Housing Division

ML:rag

c: Board of Supervisors  
Housing Commissioners



## FINANCE, MANAGEMENT AND DEVELOPMENT

### PUBLIC HOUSING



### Philadelphia Housing Authority Alleges HUD Retaliation for Not Transferring Land to Developer

The Philadelphia Housing Authority (PHA) filed a lawsuit alleging that HUD retaliated against the housing authority for not transferring land to a politically connected developer by finding that the PHA had not provided enough handicapped accessible units as required under Section 504 of the Rehabilitation Act of 1973. (*Philadelphia Housing Authority v. HUD*, N. Civ-07-CV-5434, E.D.Pa.)

HUD declared PHA in default of its Moving-to-Work (MTW) agreement in connection with the Section 504 finding and said that the agreement would not be renewed when it ends on March 31, 2008.

The MTW agreement authorizes the flexible use of public housing and Section 8 funds, and the PHA said that its termination would lead to the layoffs of approximately 240 employees and the cancellation of further public housing development projects.

#### Lawsuit Filed

The lawsuit filed in the U.S. District Court for the Eastern District of Pennsylvania alleges that HUD did not follow due process after an April 3, 2006, Section 504 compliance review in which the department inspected 20 of the 970 units that PHA classified as handicapped-accessible.

A settlement agreement in a 1998 suit filed by ADAPT of Philadelphia, a nonprofit advocacy group, required the PHA to create 248 handicapped-accessible housing units for occupancy by December 31, 2005. The PHA said it built the 248 units on or before the deadline.

In its lawsuit, the PHA provided a timeline showing that while it was trying to resolve Section 504 compliance issues, HUD was threatening to declare the authority in default of the HOPE VI agreement for its Martin Luther King development. HUD ultimately declared PHA in default of the agreement on April 9, 2007. The lawsuit says that HUD refused to allow the PHA to modify original elements of the revitalization plan after it found them to be inconsistent with neighborhood needs and the housing market.

#### Land Transfer

The original HOPE VI plan called for the transfer of land at a nominal price to the development partnership formed by Universal Community Homes, a nonprofit founded by Kenny Gamble, and Pennrose Properties.

Gamble is a prominent Philadelphia songwriter who wrote several hits with partner Leon Huff. Gamble founded UCH to redevelop the Philadelphia neighborhood where

he grew up and reportedly is an acquaintance of HUD Secretary Alphonso Jackson.

The land transfer was offered as an incentive to complete construction of 236 mixed-income units at the site. After receiving the property, the developers would build 19 market-rate homes on the parcel. Pennrose later pulled out of the project after only 80 of the mixed-income housing units had been built, the development agreement was terminated, and the PHA decided it would not transfer the land to the partnership.

According to the timeline, Carl R. Greene, PHA executive director, was contacted on March 15, 2007, by three HUD officials who requested an immediate response to a HUD letter insisting that the PHA follow through on the original HOPE VI plan, even though a response wasn't officially due until four days later. The lawsuit says that on November 28, 2007, HUD again contacted the PHA specifically asking for clarification on the location of the homeownership units.

The PHA also filed a complaint with the HUD Office of Inspector General on March 19, 2007, alleging that HUD was attempting to force the authority to give land at Martin Luther King to a politically connected developer, even though the PHA believed this was contrary to public purposes.

#### Accessibility Finding

HUD issued a letter of preliminary findings on September 19, 2006, which said that the PHA was not in substantial compliance with Section 504 and the Americans with Disabilities Act. The letter requested that the PHA enter into a voluntary compliance agreement (VCA) with HUD to address alleged deficiencies in the accessible housing units. At the time, HUD did not provide a draft agreement, the PHA said.

The PHA requested a HUD review of the preliminary findings, contending that they were based on a misunderstanding of the facts and a misapplication of the law. The PHA said there was new information in its computer system and requested a meeting to provide the data. It also requested a meeting to resolve the matter informally before starting negotiations over a VCA.

The 60-day period set for the HUD review expired on December 22, 2006, without departmental action, and HUD issued a formal determination of noncompliance on January 12, 2007. The notice confirmed the preliminary findings, did not respond to the PHA's invitation to review new information, and invited the authority to meet with HUD to negotiate a VCA.

#### Draft Compliance Agreement

HUD sent a draft VCA to the PHA on April 9, 2007, which, according to the lawsuit, declared that the PHA had no accessible units compliant with Section 504. This was the same day that PHA received notice of the HOPE VI



**HOUSING AUTHORITY  
of the County of Los Angeles**

Administrative Office

2 Coral Circle • Monterey Park, CA 91755

323.890.7001 • TTY: 323.838.7449 • [www.lacdc.org](http://www.lacdc.org)



**Gloria Molina**  
**Yvonne Brathwaite Burke**  
**Zev Yaroslavsky**  
**Don Knabe**  
**Michael D. Antonovich**  
*Commissioners*

**Carlos Jackson**  
*Executive Director*

**AGENDA  
FOR THE REGULAR MEETING OF THE  
LOS ANGELES COUNTY HOUSING COMMISSION  
WEDNESDAY, MARCH 26, 2008  
12:00 NOON  
FOOTHILL VILLA  
2423 FOOTHILL BLVD.  
LA CRESCENTA, CA 91214  
(661) 255-5818**

= = = = = = = = = = = = =

**1. Call to Order**

**2. Roll Call**

**Severyn Aszkenazy, Chair**  
**Adriana Martinez, Vice Chair**  
**Philip Dauk**  
**Lynn Caffrey Gabriel**  
**Henry Porter, Jr.**  
**Alberta Parrish**  
**Bertha Scott**

**3. Reading and Approval of the Minutes of the Previous Meetings**

Regular Meeting of February 27, 2008

**4. Report of the Executive Director**

**5. Public Comments**

The public may speak on matters that are within the jurisdiction of the Housing Commission. Each person is limited to three minutes.

**6. Staff Presentations**

No Staff Presentations

## **Regular Agenda**

### **7. Approve Agreement with Simpson & Simpson, CPAs for Financial Audit Services (All Districts)**

Recommend that the Board of Commissioners find that the approval of a one-year agreement for Financial Audit Services is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the action will not have the potential for causing a significant effect on the environment; approve the expenditure of an aggregate of up to approximately \$211,863 for financial auditing services provided to the Housing Authority under the attached Agreement for Financial Audit Services (Agreement) between the Community Development Commission of the County of Los Angeles and Simpson & Simpson, CPAs, if fully extended; approve the expenditure of additional funds of up to \$30,000 for any unforeseen, needed financial audit services. (APPROVE)

### **8. Approve Three Construction Contracts and Two Environmental Assessment and Remediation Agreements for Modernization of Eight Elevators at Three Housing Authority Senior Housing Developments (3)**

Recommend that the Board of Commissioners find that the approval of construction contracts and environmental assessment and remediation agreements for modernization of eight elevators at South Bay Gardens located in the unincorporated area of Los Angeles County, Marina Manor I and II located in Marina Del Rey, and Palm Apartments located in West Hollywood is exempt from the provisions of the California Environmental Quality Act (CEQA), as described herein, because the work includes activities that will not have the potential for causing a significant effect on the environment; approve and authorize the Executive Director to execute three construction contracts (Contracts) in the aggregate amount of \$2,273,000, in substantially the form of the attached, and all related documents, with ML Construction, to modernize eight elevators at the following three senior housing developments: South Bay Gardens located in the unincorporated area of Los Angeles County, Marina Manor I and II located in Marina Del Rey, and Palm Apartments located in West Hollywood, to be effective following execution by all parties and the issuance of the Notice to Proceed, which will not exceed 30 days following the date of Board approval; approve and authorize the Executive Director to execute two environmental assessment and remediation agreements (Agreements) in the aggregate amount of \$160,000, in substantially the form of the attached, and all related documents, with Rincon Consultants, Inc., for environmental assessment services related to the modernization of six elevators at the following two senior housing developments: Marina Manor I and II and Palm Apartments, to be effective following execution by all parties and the issuance of the Notice to Proceed, which will not exceed 30 days following the date of Board approval; authorize the Executive Director to use a maximum aggregate amount of \$2,433,000 in Capital Fund Program (CFP) funds allocated by the U.S. Department of Housing and Urban Development (HUD) for the purposes described herein, and authorize the Executive Director to approve

Contract change orders not to exceed \$486,600 for unforeseen project costs, using the same source of funds; authorize the Executive Director to incorporate up to \$2,919,600 in CFP funds into the Housing Authority's approved Fiscal Year 2007-2008 budget, for the purposes described above. (APPROVE)

**9. Housing Commissioners Comments and Recommendations for Future Agenda Items**

Housing Commissioners may provide comments or suggestions for future Agenda items.

Copies of the preceding agenda items are on file and are available for public inspection between 8:00 a.m. and 5:00 p.m., Monday through Friday, at the Housing Authority's main office located at 2 Coral Circle in the City of Monterey Park. Access to the agenda and supporting documents is also available on the Housing Authority's website.

Agendas in Braille are available upon request. American Sign Language (ASL) interpreters, or reasonable modifications to Housing Commission meeting policies and/or procedures, to assist members of the disabled community who would like to request a disability-related accommodation in addressing the Commission, are available if requested at least three business days prior to the Board meeting. Later requests will be accommodated to the extent possible. Please contact the Executive Office of the Housing Authority by phone at (323) 838-5051, or by e-mail at [marisol.ramirez@lacdc.org](mailto:marisol.ramirez@lacdc.org), from 8:00 a.m. to 5:00 p.m., Monday through Friday.

THE HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES

MINUTES FOR THE REGULAR MEETING OF THE

LOS ANGELES COUNTY HOUSING COMMISSION

Wednesday, February 27, 2008

The meeting was convened at the West Knoll Apartments, located at 838 West Knoll Drive, West Hollywood, California.

Digest of the meeting. The Minutes are being reported seriatim. A taped record is on file at the main office of the Housing Authority.

The meeting was called to order by Chair Severyn Aszkenazy at **12:25** p.m.

<b>ROLL CALL</b>	<b><u>Present</u></b>	<b><u>Absent</u></b>
Severyn Aszkenazy	X	
Adriana Martinez	X	
Philip Dauk	X	
Lynn Caffrey Gabriel	X	
Henry Porter, Jr.	X	
Alberta Parrish	X	
Bertha Scott	X	

**PARTIAL LIST OF STAFF PRESENT:**

Bobbette Glover, Assistant Executive Director  
Maria Badrakhan, Director, Housing Management  
Arlene Black, Manager, Housing Management

**GUESTS PRESENT:**

Mr. Robert Fortune, Member of the public  
Ms. Rivka Day, Kings Road resident  
Ms. Pam Komac, Kings Road resident  
Ms. Mary Ann Monier, Kings Road resident  
Mr. Keunecke Guenter, West Knoll resident

**Reading and Approval of the Minutes of the Previous Meeting**

On Motion by Commissioner Porter, seconded by Commissioner Martinez, the Minutes of the Regular Meeting of January 23, 2008 were approved. Commissioner Aszkenazy abstained.

On Motion by Commissioner Porter, seconded by Commissioner Dauk, the Minutes of the Regular Meeting of December 19, 2007 were approved.

#### **Agenda Item No. 4 - Report of the Executive Director**

Bobbette Glover reported on the following items:

Three candidates for Tenant Commissioner were recently interviewed, with none being recommended for appointment. The following suggestions were made for recruiting candidates: hold on-site meetings with the resident councils; complete a special mailing to resident council members; and conduct a meeting at the Housing Authority for Section 8 tenants. Commissioner Porter commented that a number of Tenant Commissioner candidates thought they were applying for employment, even though the position flyer states that these are volunteer positions. Commissioner Martinez suggested recruiting in Spanish and other languages. Commissioner Aszkenazy suggested that residents be told in advance that transportation to Housing Commission meetings is provided. Commissioner Porter stated that during the interviews the candidates were advised that transportation is provided.

Ms. Glover reported on the environmental remediation work at Ujima Village. Exxon Mobil will fund the total cost of the environmental assessment and the Water Board will oversee the process. The Department of Public Health will review the work plan to ensure that the information received provides enough data to determine whether there is a health risk to the residents. Testing will begin in April. The Water Board sees this as an urgent matter and has indicated that remediation may necessitate relocation of the residents. Supervisor Burke has committed to the week of March 31 for a meeting with the residents, at which time the Water Board will discuss its roll and Exxon Mobil will provide details on the environmental assessment. Congresswoman Laura Richardson may attend. There are currently 166 occupied units. Staff anticipates that by June more residents will have relocated on their own. Residents are not currently entitled to relocation benefits because they are not required to move; however, relocation may be necessary during the remediation process. Part of the assessment includes the Magic Johnson park area.

#### **Agenda Item No. 5 – Public Comments**

Mr. Robert Fortune, a member of the public, stated that he is a homeless veteran and requested housing assistance. Esther Keosababian will provide Mr. Fortune with information about the Public Housing Homeless Veteran Program.

Ms. Rivka Day, Kings Road resident, stated that the residents have no recourse for resolving issues at their development and asked for assistance from the Housing Commissioners. Staff will assist Ms. Day after the meeting.

Ms. Pam Komac, Kings Road resident, raised questions about the processes used to appoint Housing Commissioners and to place items on the Housing Commission agenda. Ms. Glover responded that County Counsel has reviewed the applicable Ordinance and confirmed that the appointment of Housing Commissioners by the Board of Supervisors does not violate state law. Ms. Glover also stated that County Counsel has determined that it is acceptable practice to allow time at Housing Commission meetings for residents and

members of the public to bring issues and concerns to the Housing Commissioners, in lieu of permitting them to place items on the printed agenda.

Mary Ann Monier, Kings Road resident, expressed concerns about residents not receiving duplicate keys. Arlene Black, Manager of the Housing Management Division, stated that the Housing Authority is not required to issue more than one key if only one person is on the lease. Residents that submit a Living Aid Certification or a Reasonable Accommodations request can receive an additional key.

Mr. Keunecke Guenter (Paul), West Knoll resident, spoke about concerns at the West Knoll apartments and stated that he was representing the tenants. A list of his concerns was given to staff. Ms. Glover stated that a response to Mr. Guenter's concerns will be submitted to the Resident Council President. Commissioner Severyn suggested that staff perform a walk through of the site with Mr. Guenter to evaluate the issues first hand. Ms. Glover, suggested that Ms. Keisha Nathaniel, West County Property Manager, assist Mr. Guenter.

#### **Agenda Item No. 6 - Staff Presentations**

Marisela Crabbe and Kerrin Cardwell presented the Agency Plan for Fiscal Year 2008-2012 and responded to questions from the Housing Commissioners.

#### **Regular Agenda**

**On Motion by Commissioner Porter, seconded by Commissioner Dauk, and unanimously carried, the following was approved by the Housing Commission:**

APPROVE THE AGENCY PLAN FOR THE HOUSING AUTHORITY OF  
THE COUNTY OF LOS ANGELES (ALL DISTRICTS)  
AGENDA ITEM NO. 7

1. Recommend that the Board of Commissioners find that the attached Agency Plan, which consists of the Five-Year Plan for Fiscal Years 2008-2012 and the Annual Plan for Fiscal Year 2008-2009, as described herein, are not subject to the provisions of the California Environmental Quality Act (CEQA), because they will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners approve the attached Agency Plan, as required by the U.S. Department of Housing and Urban Development (HUD), to update the Housing Authority's program goals, major policies and financial resources, including the Capital Fund Annual Statement and Five-Year Action Plan, the Admissions and Continued Occupancy Policy for the Conventional Public Housing Program, the Public Housing Lease Agreement, and the Section 8 Tenant-Based Program Administrative Plan.

3. Recommend that the Board of Commissioners adopt and instruct the Chair to sign the attached Resolution approving the Agency Plan for submission to HUD, and authorizing the Executive Director of the Housing Authority to take all actions required for implementation of the Agency Plan.
4. Recommend that the Board of Commissioners authorize the Executive Director to execute all documents required to receive approximately \$5,980,536 in Capital Fund Program funds from HUD for resident programs, operating costs, and the rehabilitation of 2,184 housing units at 18 Conventional Public Housing Program developments throughout Los Angeles County, as described in the Agency Plan.
5. Recommend that the Board of Commissioners authorize the Executive Director to incorporate into the Agency Plan all public comments received and approved for inclusion by your Board; and authorize the Executive Director to submit the Agency Plan to HUD by April 17, 2008.

**On Motion by Commissioner Martinez, seconded by Commissioner Porter, and unanimously carried, the following was approved by the Housing Commission:**

APPROVE THREE ELEVATOR CONSULTING SERVICES AGREEMENTS  
FOR ELEVATOR MODERNIZATION AT THREE HOUSING AUTHORITY  
SENIOR HOUSING DEVELOPMENTS (2, 3)  
AGENDA ITEM NO. 8

1. Recommend that the Board of Commissioners find that the approval of consulting services agreements (Agreements) is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the action will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners approve and authorize the Executive Director to execute three separate two-year Agreements in the aggregate amount of \$169,570, in substantially the form of the attached, and all related documents, with IDS Group, Inc. (Consultant), to complete design services for the modernization of a total of eight elevators at the following three senior housing developments: South Bay Gardens located in the unincorporated area of Los Angeles County, Marina Manor I and II located in Marina Del Rey, and Palm Apartments located in West Hollywood, to be effective following execution by all parties.
3. Recommend that the Board of Commissioners authorize the Executive Director to use a maximum aggregate amount of \$169,570 in Capital Fund Program (CFP) funds included in the Housing Authority's approved Fiscal Year 2007-2008 budget, for the purposes described herein.



4. Recommend that the Board of Commissioners authorize the Executive Director to execute amendments to the Agreements, following approval as to form by County Counsel, to extend the time of performance for an additional year, to allow the Consultant to perform construction observation services during the construction phase of the project. Compensation for services for the additional year is included in the aggregate amount of \$169,570.
5. Recommend that the Board of Commissioners authorize the Executive Director to execute change orders to the Agreements, and all related documents, following approval as to form by County Counsel, to increase the Agreements by up to an aggregate amount of \$33,914, for unforeseen project costs, using the same source of funds described above.

**On Motion by Commissioner Porter, seconded by Commissioner Scott, and unanimously carried, the following was approved by the Housing Commission:**

AUTHORIZE EXECUTIVE DIRECTOR TO REQUEST RENEWAL OF  
FUNDING AND EXECUTE TWO HOUSING ASSISTANCE PAYMENTS  
CONTRACTS WITH THE U.S. DEPARTMENT OF HOUSING AND URBAN  
DEVELOPMENT FOR LANCASTER HOMES AND KINGS ROAD SENIOR  
HOUSING DEVELOPMENTS (3, 5)  
AGENDA ITEM NO. 9

1. Recommend that the Board of Commissioners find that requesting renewal of funding and executing two Housing Assistance Payments (HAP) contracts are not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the actions will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners authorize the Executive Director of the Housing Authority of the County of Los Angeles (Housing Authority) to request renewal of HAP funding and execute two HAP contracts with the U.S. Department of Housing and Urban Development (HUD) to continue the funding of rent subsidies at the Lancaster Homes and Kings Road senior housing developments located in the Cities of Lancaster and West Hollywood, respectively, following approval as to form by County Counsel.
3. Recommend that the Board of Commissioners authorize the Executive Director to execute additional administrative documents as may be necessary for the purposes identified above.

**On Motion by Commissioner Dauk, seconded by Commissioner Parrish, and unanimously carried, the following was approved by the Housing Commission:**

**APPROVE CONSTRUCTION CONTRACT FOR EXTERIOR IMPROVEMENTS  
AT CARMELITOS SENIOR HOUSING DEVELOPMENT (4)  
AGENDA ITEM NO. 10**

1. Recommend that the Board of Commissioners find that the approval of a construction contract for exterior improvements at Carmelitos senior housing development is exempt from the provisions of the California Environmental Quality Act (CEQA), as described herein, because the work includes activities that will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners approve and authorize the Executive Director of the Housing Authority of the County of Los Angeles to execute a construction contract (Contract) in the amount of \$288,262, in substantially the form of the attached, and all related documents, with DMS Construction, Incorporated (Contractor), to complete exterior improvements at the Carmelitos senior housing development located in the City of Long Beach, effective upon the issuance of the Notice to Proceed, which will not exceed 30 days following the date of Board approval, and execution by all parties.
3. Recommend that the Board of Commissioners authorize the Executive Director to use a total of \$288,262 in Capital Fund Program (CFP) funds provided by the U.S. Department of Housing and Urban Development (HUD), for the purposes described above.
4. Recommend that the Board of Commissioners authorize the Executive Director to approve Contract change orders not to exceed \$72,066 for unforeseen project costs, using the same source of funds described above.
5. Recommend that the Board of Commissioners authorize the Executive Director to incorporate up to \$360,328 in CFP funds into the Housing Authority's approved Fiscal Year 2007-2008 budget for the purposes described above.

**On Motion by Commissioner Martinez, seconded by Commissioner Parrish, and unanimously carried, the following was approved by the Housing Commission:**

APPROVE CONTRACT FOR KITCHEN AND BATHROOM FLOORING  
REPLACEMENT AT LANCASTER HOMES SENIOR  
HOUSING DEVELOPMENT (5)  
AGENDA ITEM NO. 11

1. Recommend that the Board of Commissioners find that the approval of a construction contract (Contract) for kitchen and bathroom flooring replacement is exempt from the provisions of the California Environmental Quality Act (CEQA), as described herein, because the work includes activities that will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners approve and authorize the Executive Director of the Housing Authority of the County of Los Angeles to execute a Contract in the amount of \$60,377, in substantially the form of the attached, and all related documents, with Arbia Investments, Inc., Dba Statewide Floors (Contractor), to provide for sheet vinyl flooring materials and installation services in the kitchen and bathrooms at the Lancaster Homes senior housing development, to be effective following approval as to form by County Counsel and execution by all parties.
3. Recommend that the Board of Commissioners authorize the Executive Director to use a total of \$60,377 in funds included in the Housing Authority's approved Fiscal Year 2007-2008 budget, for the purposes described above.
4. Recommend that the Board of Commissioners authorize the Executive Director to execute amendments to the Contract, following approval as to form by County Counsel, to increase the Contract by up to \$10,000, for any unforeseen needed services or materials, using the same source of funds described above.

**Agenda Item No. 12 – Housing Commissioner Comments and Recommendations for Future Agenda Items**

Ms. Glover provided an update on the Neighborhood Legal Services' Civil Rights lawsuit announcing that the judge decided to bifurcate the Civil Rights and the Housing Authority procedures and hear each separately. The hearing is scheduled for March 20, 2008.

Commissioner Martinez announced that she will not attend the March meeting.

Commissioner Porter thanked staff for providing a copy of the Agency Plan well in advance of the meeting.

Commissioner Scott regretfully announced that she will be transitioning out of public housing and moving to private housing effective April. Ms. Glover added that Commissioner Parrish will attend the NAHRO Conference in Washington, D.C. in Commissioner Scott's place.

Commissioner Aszkenazy announced that the City of Santa Monica is eliminating paper and plastic bags from their grocery stores. He recommended that bags be provided to housing residents affected by the date of the change.

Commissioner Porter adjourned the Regular Meeting of February 27, 2008, at 2:14 p.m.

Respectfully submitted,

  
CARLOS JACKSON  
Secretary –Treasurer

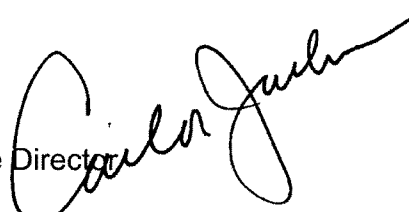
**Housing Authority - County of Los Angeles**

FOR YOUR INFORMATION ONLY

March 17, 2008

TO: Each Supervisor

FROM: Carlos Jackson, Executive Director



**SUBJECT: MONTHLY PROGRESS REPORT ON THE SECTION 8 PROGRAM**

---

On March 13, 2007 your Board instructed me to report monthly on our progress to remove the Section 8 program from its Troubled status under Section 8 Management Assessment Program (SEMAP). This report covers the period between February 18, 2008 and March 17, 2008, and provides information on the following:

- Lease-up
- Annual Re-Examinations and Inspections
- The Impact of Socialserve.com
- The Impact of the Call Center
- Corrective Action Plan
- The Confirmatory Review
- The HUD OIG Audit Report
- YARDI Status Update
- The OIG Joint Audit for the City and County of Los Angeles
- Senate Section 8 Voucher Reform Act

**Lease-up**

As of March 1, 2008, our lease-up rate improved to 95.6%, representing a total of 19,841 assisted families throughout the County. We previously reported that our goal is reach 98% lease up by June 30, 2008. Because we are currently utilizing over 100% of our allocated subsidy funds we will complete the requests for new contracts in receipt, and then determine the additional number that can be issued based on available funding.

**Annual Re-examinations and Inspections**

We continue to remain current in maintaining our percentage rate at the level to achieve the maximum points for the SEMAP review. As of March 1, 2008, our rates were 1% and 3% for annual reexaminations and inspections, respectively.

Each Supervisor  
March 17, 2008  
Page 2 of 3

**Socialserve.com**

Socialserve.com continues to play a crucial role connecting our voucher holders with our participating landlords. For a 28-day period between February 17 and March 16, 2008, Socialserve.com averaged 3,867 total listings, 2,719 participating landlords, and 121,454 housing searches.

**Call Center**

Our Call Center is currently averaging approximately 3,500 calls per week, with an actual total of 14,127 for the period between February 18, 2008 and March 14, 2008. For your information, the average wait time for the stated period was 2 minute, 2 seconds.

**Corrective Action Plan**

HUD has informed us that they concluded their review of the documents we submitted to support completion of the items on the corrective action plan. However, they cannot move forward with providing a formal response because not all board members have completed the training.

**Confirmatory Review**

HUD has informed HACoLA that their confirmatory review of our SEMAP certification for the fiscal year ending 06-07, submitted on August 6, 2007, may not occur until April 2008.

**The HUD OIG Audit**

Based on our continued review of the citations cited for recommendations (1J) to withhold 10% of administrative fee starting in fiscal year 2008, and (1M) to reimburse HUD \$3.6M with outside counsel, we are planning to challenge these recommendations. This issue will be addressed in our formal response due to HUD on March 22.

Despite our disagreement with recommendation 1J, we have contracted with the Bronner Group to conduct an independent review of the YARDI software system implementation.

We are currently recruiting for the Assisted Housing Division director position. The position will be advertised in major housing authority journals as of March 24.

**YARDI Status**

As I reported to you on February 19, 2008, we have decided to postpone the go live date to May 1, 2008. This decision was made to provide staff with additional training and compliance review to support a smooth transition.

Each Supervisor  
March 17, 2008  
Page 3 of 3

**OIG Joint Audit of the City and County of Los Angeles**

The on-site review of HACoLA's files has been completed. The exit conference is pending until completion of the on-site review at the Housing Authority of the City of Los Angeles.

**Senate SEVRA**

The Senate version of SEVRA was released on March 3, 2008. It incorporates several of the recommendations housing advocates lobbied for as a result of the House version, which was passed July 12, 2007.

Some of the major provisions the bill is proposing include: the authorization of renewal of all existing vouchers, as well as authorizing the issuance of 100,000 additional vouchers for fiscal years 2009-2013. It would simplify the inspections process and income review process, as well as eligibility requirements based on assets and income, and includes in the administrative fee the cost of issuing new vouchers as well as an amount for the cost of FSS coordinators.

Overall, HACoLA is in support of the Senate version of SEVRA, as it would help improve program performance.

Please feel free to contact me if you have any questions or need additional information.

CJ:MLH

C: William T. Fujioka, Chief Executive Officer  
Lari Sheehan, Deputy Chief Executive Officer  
Sachi A. Hamai, Executive Officer/Clerk of the Board of Supervisors  
Each Deputy  
Los Angeles County Housing Commissioners



**Carlos Jackson**  
Executive Director

**HOUSING AUTHORITY  
of the County of Los Angeles**

ASSISTED HOUSING DIVISION  
12131 Telegraph Road • Santa Fe Springs, CA 90670  
Tel: 562.347.4663 • TDD: 562.906.4928 • [www.hacola.org](http://www.hacola.org)



**Gloria Molina**  
**Yvonne Brathwaite Burke**  
**Zev Yaroslavsky**  
**Don Knabe**  
**Michael D. Antonovich**  
Commissioners

March 5, 2008

**FOR YOUR INFORMATION ONLY**

Ms. KJ Brockington, Director  
Office of Public Housing  
U.S. Department of Housing  
and Urban Development  
Los Angeles Field Office, Region IX  
611 West 6<sup>th</sup> Street, Suite 1040  
Los Angeles, CA 90017-3101

**SUBJECT: THE FAMILY SELF-SUFFICIENCY (FSS) PROGRAM**

Dear Ms. Brockington:

The Family Self-Sufficiency (FSS) Program is a HUD initiative intended to promote the development of local strategies to enable families both in public housing and the Housing Choice Voucher Program to achieve economic independence and self-sufficiency.

This report has previously been provided to the Housing Authority of the County of Los Angeles Housing Commissioners on a monthly basis. This report is now being provided to the HUD local field office and the Los Angeles County Board of Supervisors to keep all concerned parties abreast of the continuous efforts and accomplishments associated with this worthwhile program as part of the Corrective Action Plan.

**FSS Program Update for February**

- The Family Self Sufficiency staff continued its ongoing recruitment efforts, with a total of 82 new applicants, 77 of whom were eligible for the Family Self Sufficiency Program.
- Staff enrolled 31 new participants.
- Received 16 requests to graduate from the Family Self Sufficiency program.
- Staff conducted 4 recruitment workshops for interested families.
- Staff assisted participants in internet access, computer job search, and CalJOBS registration, Resource information on the WorkSource Network, Volunteer Income Tax Assistance Program, FSS workshops, Adult Education, Healthy Families Insurance program. The California Low Cost Auto Insurance Program, Scholarship programs and Job Fair information were disseminated during recruitment and case management activities






- Staff referred 42 FSS applicants to WorkSource Centers resource for job search assistance and 3 FSS participants for job search and resume writing and review assistance.
- Issued 3 Credit Repair packets to FSS applicant and 2 packets to existing FSS participants during the month of December.
- Communicated with and assisted over 250 FSS participants with general Housing Choice Voucher questions, FSS Program queries, issues and supportive services information.
- Resource information for employment opportunities, budgeting, money saving tips and homeownership workshops were disseminated to 46 FSS participants and applicants during January appointments.
- Referred 1 Section 8 tenant to Operation Hope Home Ownership Program per the tenant's request.
- Referred 16 FSS participant to the CDC Home Ownership Program (HOP) per the tenant's request.
- The FSS Program staff conducted two individual graduation ceremonies during recruitment workshops, graduating these successful participants before an audience of potential applicants, family members, guests and Assisted Housing Staff.
- During the month of February, \$15,152.27 in Family Self Sufficiency escrow funds was disbursed to successful graduates.

### Graduates

During the month of February, there were 4 graduates from the Family Self Sufficiency's Housing Choice Voucher Program. The total number of graduates to date is 191.

If you have any further questions, please feel free to contact me at (562) 347-4837.

Sincerely,



MARGARITA LARES, Acting Director  
Assisted Housing Division

ML:rag

c: Board of Supervisors  
Housing Commissioners

## Athens Sheriff's Station Groundbreaking Ceremony

It's been a long time coming, but Supervisor Yvonne B. Burke was proud to lead the groundbreaking ceremony for the new construction of the Athens Sheriff's Station. It has been a priority of Supervisor Burke since she took office in 1992 to replace the aging Lennox Sheriff's Station that did not adequately serve the needs of the community or Sheriff's Department employees.

While the new 33,750 square foot building, which will include a community room to serve as an emergency operations center, is being constructed, the Lennox Station will continue to provide services to the area. Once the Athens Station is completed, the Lennox Station will then be renovated and brought up to code for additional use by the Sheriff's Department.

Although Supervisor Burke will not be in office to see the completion of the station, tentatively set for late summer of 2009, this station will be one that the Sheriff's Department, its employees and community will surely be proud of!



*December 15, Athens Sheriff's Station Groundbreaking.*

## The County's March of Dimes Campaign Underway

"March for Babies" is the theme of the County's 2008 March of Dimes campaign, announced Supervisor Yvonne B. Burke, Board Chair. Formerly known as WalkAmerica, the March for Babies will be held on Saturday, April 26, 7:30 a.m., at Griffith Park, near the Merry-Go-Round.

"I am pleased to lead this important effort to raise funds that will be used to help reduce the number of premature births and birth defects," she said. "Our goal is to raise \$300,000 this year."

Supervisor Burke introduced the Board motion authorizing the campaign.

**MARCH**

*continued on page 4*

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# EVENT CALENDAR

## Los Angeles County Arboretum & Botanic Garden 301 N. Baldwin Avenue, Arcadia 91007

For a list of seminars, workshops and classes, please visit [www.arboretum.org](http://www.arboretum.org) or call (626) 821-4623

## Los Angeles County Museum of Art 5905 Wilshire Boulevard, Los Angeles 90036 (323) 857-6000 [www.lacma.org](http://www.lacma.org)

Through Mar 3 – SoCal: Southern California Art of the 1960s and 70s from LACMA's Collection

## Disney Concert Hall 111 South Grand Avenue, Los Angeles 90012 (323) 850-2000 [wdch.laphil.com](http://wdch.laphil.com)

### March

1 & 8 – Nathaniel Stookey's *The Composer is Dead*  
2 – A Tribute to Ella  
4 – Lang Lang in Recital  
6, 8 & 9 – Stephane Deneve  
7 – Eva Ayllon  
13 - 15 – Rachmaninoff's Rhapsody  
16 – John Pizzarelli - "Dear Mr. Sinatra"  
20 - 22 – Janine Jansen Plays Tchaikovsky  
21 – Chamber Music with Janine Jansen  
25 – Green Umbrella with Ursula Oppens  
26 – Chamber Music with Gustavo Dudamel  
28 - 30 – Dudamel conducts Berlioz  
30 – USC Thornton Wind Ensemble

## Music Center 135 N. Grand Avenue, Los Angeles 90012 (213) 972-7211 [www.musiccenter.org](http://www.musiccenter.org)

**Center Theatre Group**  
Through Mar 9 – The Color Purple  
Mar 7 – Apr 13 – No Child...  
Mar 12 – Apr 6 – Sweeney Todd  
May 11 – Jun 8 – Keep Your Pantheon  
May 11 – Jun 8 – Duck Variations

**Los Angeles Opera**  
Through Mar 9 – Otello  
Through Mar 8 – Recovered Voices  
May 17 – Jun 21 – Tosca  
Jun 7 – 28 – La Rondine  
Apr 20 – Bryn Terfel in Recital

**Los Angeles Master Chorale**  
Mar 9 – Bach B Minor Mass  
Apr 6 – Hayden & Gorecki  
May 4 – Almost a cappella  
May 18 – Great Opera Choruses

**Natural History Museum**  
**900 Exposition Boulevard, Los Angeles 90007**  
For a list of events please visit [www.nhm.org](http://www.nhm.org) or call (213) 763-DINO

The Los Angeles County Commission for Women  
and  
The Honorable Board of Supervisors  
"Celebrating Women of Service"  
at the  
23rd Annual Women of the Year Awards Luncheon

Monday, March 10, 2008 at 11:30 a.m.  
Millennium Biltmore Hotel, Crystal Ballroom

**Congratulations!**  
**2008 Women of the Year Awardees**

Commander Lynda R. Castro, Nancy Chand, Honorable Laura Chick, Denise Dador, Education Spectrum, Dixie L. Eliopoulos, Maria Leyva, Commander Willie J. Miller, Colleen Mooney, Honorable Fran Pavely and Irma Resendez, MSW

For more information about the Commission for Women or the 2008 Women of the Year Awards Luncheon, please go to [www.LACCW.info](http://www.LACCW.info) or call (213) 974-1455.

**Retired Employees of Los Angeles County (RELAC)**  
**1000 South Fremont Avenue, Unit 15**  
**Alhambra 91803-8802**  
[www.relac.org](http://www.relac.org)  
Phone: (626) 308-0532, (800) 537-3522  
Fax: (626) 308-2901  
Email: [admin@relac.org](mailto:admin@relac.org)

Visit <http://dhr.lacounty.info>  
for information on  
employment opportunities  
with the  
County of Los Angeles

## Supervisor Antonovich Announces Successful Program Placing Veterans in County Positions

Supervisor Michael D. Antonovich joined Michael J. Henry, Director of Personnel; Colonel Joseph Smith, Director, Department of Military and Veteran Affairs; and military officials at a press conference announcing the success of a new County program assisting veterans with employment opportunities.

“Our veterans have served our nation and sacrificed their lives for our freedom,” said Supervisor Antonovich. “This program will provide our veterans the opportunity to apply their skills, learn new ones and compete effectively for employment.”

In 2006, to address a disproportionate unemployment rate among recent veterans, Supervisors Antonovich and Knabe co-authored a motion directing County departments to develop a comprehensive program to identify and place veterans through outreach, new hiring protocols and education.

Open to local military veterans who have been honorably discharged, the County recruits applicants whose training, education and skills match those needed by the County. Successful applicants are hired as trainees for up to 24 months and receive job training and experience that enhances previous job skills or gain new experience in administrative, technical, clerical, technological, craft or maintenance areas. They receive benefits and are eligible to compete for permanent County positions.

Interested veterans are encouraged to visit <http://dhr.lacounty.info> or call (213) 738-2175.



*(From left to right) Supervisor Michael D. Antonovich; Veteran Intern Licheen Woods, Registrar-Recorder; Captain Craig Flower, USMC; Major General John Harrel, Commander, National Guard's 40<sup>th</sup> Infantry Division; Brigadier General Charles Ebner, Deputy Commanding General, United States Army Reserves 63<sup>rd</sup> Regional Readiness Command.*

## CEO Fujioka Honored on Dr. King's Birthday

Supervisor Yvonne B. Burke, Chair of the Board, and Supervisor Don Knabe spoke warmly about the County's Chief Executive Officer William T Fujioka at a Martin Luther King Jr. Day reception in his honor on January 15.

“The reception recognizes Dr. King's legacy and there is no better way to remember Dr. King than to promote diversity, equality and brotherhood,” said Supervisor Burke, Chair and co-sponsor of the event along with the County's African American Heritage Committee (AAHC) and the Association of Black County Administrators (ABCA). Sharon Harper, Chief Deputy CEO; Michael J. Henry, Director of Personnel; and Cynthia Banks, Director of Community and Senior Services, served as Co-Chairs.



CEO

*continued on page 8*

*Director of Personnel Michael J. Henry, left, and Chief Deputy CEO Sharon Harper, second from right, and Cynthia Banks, right, reception Co-Chairs, are joined by, from left, Charisse Bremond-Weaver, President/CEO Brotherhood Crusade; CEO Bill Fujioka, Mrs. Darlene Kuba Fujioka and Supervisor Yvonne B. Burke.*



# RETIREEES

*Congratulations to the following employees who are joining the ranks of the retired after 30 or more years of service to the people of the County of Los Angeles:*

**ASSESSOR:** Paula D. Kimberling

**CHILDREN AND FAMILY SERVICES:** Richard E. Sanford, Leonor Umina

**COUNTY COUNSEL:** Owen L. Gallagher

**DISTRICT ATTORNEY:** Norma V. O'Dell

**FIRE:** Ronald P. Lawrence, Richard B. Pfeiffer, Doris J. Young

**HEALTH SERVICES:** Janice M. Atkins, Nimfa M. Aurellano, Margarita V. Avina, Erthalene Bowman, Rosalinda E. Cantila, Betty J. Champion, Sandra L. Desouza, Edna H. Lankford, Margaret M. Martinez, Joan Masters, Norma L. Mc Ghee, Mary J. Moore, Esther M. Mossman, Martha Owens, David Rubenhold, Sylvia Torres, James K. Wong

**INTERNAL SERVICES:** Rodney V. Gardner

**PROBATION:** Charlie Baker Jr., Ruben Garcia, Francies M. Henry, John Knobbe, Nazrie Ray, Gayle Schiller

**PUBLIC DEFENDER:** Mark Lessem

**PUBLIC HEALTH:** Diane L. Battaglia, Lurlene Joyce, Marilyn J. Mc Donnell

**PUBLIC SOCIAL SERVICES:** Phyllis A. Ellis, Catherine Fields, Cheryle Henkle, Joseph P. Lewandowski, Elizabeth L. Lopez, Martha M. Williams

**PUBLIC WORKS:** B C. Brooks, Charlotte A. Flores, William Fraser, Peter S. Lee, Barry S. Witler

**SHERIFF:** Alfredo A. Castro, Charles P. Morales, Daniel Nathan, James S. Noennick, Anthony M. Pachot, Michael A. Ruiz, Johnny A. Solis, Sandra P. Moore, Jimmy Orcasitas, James W. Rees, Victoriana Silvas-Alons

**SUPERIOR COURT:** Richard A. Belmonte, Ted I. Matsuda

*Congratulations to the following employees who are joining the ranks of the retired after 25 or more years of service to the people of the County of Los Angeles:*

**ASSESSOR:** George Martins

**FIRE:** Bernard J. Cain

**HEALTH SERVICES:** Gloria Desantis, Icelind Houston, Helen Hsieh, Vichitra Kanchanatupp, Kanokporn Thumwanit, Queen E. Williams

**INTERNAL SERVICES:** Eustace Hawarden, Raymond C. Krank

**MENTAL HEALTH:** Leslie Groenewold, Evangelina Montalvo

**PARKS AND RECREATION:** Lillian Finn

**PROBATION:** Lawrence F. Rothstein

**PUBLIC SOCIAL SERVICES:** Xuan T. Nguyen,

Mario F. Rodriguez, Luong G. Tran

**PUBLIC WORKS:** Irene T. Chen

**SHERIFF:** Peter M. Farino, Stephen R. Van Herpe, Robert D. Wilson, Dolores Marks, Beverly A. Thornton

**SUPERIOR COURT:** Maria T. Flores, Linda Louie

## Cesar Chavez Week, March 24-28

County employees will again volunteer during Cesar Chavez Community Service Week, scheduled Monday, March 24 through Friday, March 28, in honor of the great American hero.

Instead of a day off, employees will volunteer a half-day of service.

Volunteer opportunities will be available in the Departments of Public Library, Animal Care and Control, Parks and Recreation and Beaches and Harbors.

The annual Cesar Chavez Food Drive will be conducted from Monday, March 17 to Monday, March 31. For more information, please contact your department Cesar Chavez Week coordinator or call Ruben Rivero, CEO Workplace Programs office, at (213) 974-2523 or via e-mail at [rrivero@ceo.lacounty.gov](mailto:rrivero@ceo.lacounty.gov).

### MARCH

*continued from page 1*

Special fundraising activities planned for employees include "County Night at Dodger Stadium" on Friday, April 11, 7:30 p.m.; and "Blue Jeans for Babies Days" on Wednesday and Thursday, May 28 and 29.

In addition, County employees are encouraged to sign up to walk on April 26 with their department coordinator or by calling CEO Workplace Programs at (213) 974-2619.

## County DIGEST

Articles and other submissions to the *County DIGEST* may be edited or otherwise altered for clarity.

County DIGEST Editorial Offices  
Department of Human Resources  
3333 Wilshire Blvd., Suite 1000 (10th floor)  
Los Angeles, CA 90010

(213) 738-2352

(213) 639-0940 FAX

Available online at: [dhr.lacounty.info](http://dhr.lacounty.info)

## **Supervisor Molina Announces Official ‘Intervener’ Status in Vernon Power Plant Dispute**

*California Energy Commission Grants L.A. County Legal Right to Make Case*



Supervisor Gloria Molina announced that the California Energy Commission has granted the County of Los Angeles official “intervener” status in the ongoing dispute over the proposed Vernon power plant.

“This is great news,” Supervisor Molina said. “It means we officially have a seat at the table. It means that as the California Energy Commission weighs the pros and cons of the Vernon power plant proposal, the concerns of residents living in the County – and, specifically, families living in nearby unincorporated areas – will be heard.”

The City of Vernon has proposed developing a 943 megawatt power plant – and, already, environmental and community organizations have mobilized to stop its construction. If approved, the Vernon power plant would produce in excess of 880 tons of air emissions per year. The Vernon power plant would tie as the seventh largest contributor of PM-10 emissions; it would rank as the sixteenth biggest producer of carbon monoxide; and it would be the twenty-first largest producer of nitrogen oxide emissions in the nation. If built, it would be the most massive facility in the County of Los Angeles and would be one of the top polluters in the Southeast Los Angeles region.

The Commission’s decision essentially allows the County to intervene in this dispute by directly participating in hearings, producing and examining witnesses, and otherwise representing the County’s interest in official proceedings.

“I applaud the Commission’s decision,” Supervisor Molina said. “Now, the County can officially raise concerns and make Vernon prove their information. We will not support construction of this power plant unless the Commission and the City of Vernon can guarantee a simultaneous – and greater – reduction of pollutants by other pollution sources in the vicinity. If the power plant is going to be clean, let Vernon prove it. If it’s going to be a project that’s truly beneficial to the community, let them prove it. If it’s going to have all the so-called ‘Priority Reserve’ credits that they promise, let them prove it. If the community is going to have to live with this intrusive power plant, let Vernon be a good neighbor and prove that this facility is worth it to everyone.”

## **Supervisor Burke Observes “A Day Without A Bag” in Los Angeles County**

The Board of Supervisors declared December 20, 2007 as “A Day Without a Bag” throughout the County of Los Angeles.

County residents use approximately six billion plastic bags a year and only recycle 5% of that total, resulting in the un-recycled bags becoming part of a plastic-dominated litter stream.

The littering caused by plastic bags creates significant problems for County streets, beaches, and the marine environment, and harms seabirds, marine animals, and countless fish through indigestion and entanglement of marine debris.

The County of Los Angeles is making a significant effort to reduce plastic bag litter and has set solid waste reduction and recycling goals.



*Supervisor Burke joined by “A Day Without A Bag” participants at the Westfield Shopping Center in Fox Hills.*

# ENRICHING LIVES...

## County of Los Angeles Department of Parks and Recreation Launches Campaign Urging People to “Play for Life!” at Los Angeles County Parks



*LA County junior golf program*



*Descanso Gardens*

The Department of Parks and Recreation will launch its PLAY FOR LIFE! Public Information Campaign at a February Board of Supervisors meeting later this month.

Utilizing broadcast, print, outdoor and electronic media, the campaign's message will encourage youth, teens, families, seniors and everyone in between to be active, be healthy and to do it at one of the many Los Angeles County Park facilities.

Los Angeles County residents will soon see and hear catchy phrases with double meanings, but have distinct, collaborative messages. “Make a Splash!” tells people to make a splash, and what better way to do so than at one of Los Angeles County's 28 public swimming pools. “Stop and Smell the Flowers!” encourages the public to nurture their well being by slowing down and – literally – smelling the flowers at one of Los Angeles County's four Arboreta and Botanic Gardens. “Go Fore It!” is a play on words, applicable for anyone to go for health, go for fitness and go for a round of golf at one of Los Angeles County's 19 golf courses, comprising the largest municipal golf course system in the Country. These phrases are just a few of the messages of the Play for Life! campaign.

Although referring to different aspects of the Los Angeles County Department of Parks and Recreation's abundant facilities, the Play for Life! campaign's core message is to be healthy, to reduce stress, to live well and to “Play for Life!” in whatever way that means to the individual person. Just as important, the campaign highlights the more than 140 beautiful parks and facilities within Los Angeles County, and shows that everything one needs to do to Play for Life!, they can do right here, in the County of Los Angeles' public parks and facilities.

To view a list of all of the Parks and Recreation facilities offered by Los Angeles County, go to [www.lacountyparks.org](http://www.lacountyparks.org).





LA County Arboretum



Belvedere Skatepark



# County of Los Angeles Strategic Plan



"Enriching Lives"

## County Vision

Our **purpose** is to improve the quality of life in Los Angeles County by providing responsive, efficient and high quality public services that promote the self-sufficiency, well-being and prosperity of individuals, families, businesses and communities.

Our **philosophy** of teamwork and collaboration is anchored in our **shared values**:

- **A can-do attitude** - we approach each challenge believing that, together, a solution can be achieved.
- **Accountability** - we accept responsibility for the decisions we make and the actions we take.
- **Compassion** - we treat those we serve and each other in a kind and caring manner.
- **Commitment** - we always go the extra mile to achieve our mission.
- **Integrity** - we act consistent with our values.
- **Professionalism** - we perform to a high standard of excellence.
- **Respect for diversity** - we value the uniqueness of every individual and their perspective.
- **Responsiveness** - we take the action needed in a timely manner.

Our **position** as the premier organization for those working in the public interest is established by:

- A capability to undertake programs that have public value;
- An aspiration to be recognized through our achievements as the model for civic innovation; and a pledge to always work to earn the public trust.

## County Mission

*To enrich lives through effective and caring service*

## Strategic Plan Goals

- |                                 |                                      |
|---------------------------------|--------------------------------------|
| 1. Service Excellence           | 5. Children and Families' Well-Being |
| 2. Workforce Excellence         | 6. Community Services                |
| 3. Organizational Effectiveness | 7. Health and Mental Health          |
| 4. Fiscal Responsibility        | 8. Public Safety                     |

Gloria Molina  
Supervisor  
First District

Yvonne B. Burke  
Supervisor  
Second District

Zev Yaroslavsky  
Supervisor  
Third District

Don Knabe  
Supervisor  
Fourth District

Michael D. Antonovich  
Supervisor  
Fifth District



## Enhanced Illegal Dumping Hotline and Web Site Allows Convenient 24-Hour Reporting

Improvements to the County's toll-free hotline and Web site have resulted in an user-friendly system to encourage Antelope Valley residents to report illegal dumping, announced Supervisor Michael D. Antonovich.

"Illegal dumping is a danger to public health and safety, decreases property values, lowers the quality of life, and costs County taxpayers hundreds of thousands of dollars a year in clean-up, education, and enforcement," said Supervisor Antonovich. "The hotline and Web site make it convenient for residents to report violators anonymously, 24 hours a day."

The toll-free Hotline (888) 8 DUMPING features live operators Monday through Thursday, from 7:00 a.m. to 5:30 p.m. After hours, residents can leave a voice message and the matter will be handled the next business day. Reports can also be made at [www.stopillegaldumping.com](http://www.stopillegaldumping.com) 24 hours a day. A new feature also allows residents to track the progress of their reports.

To further assist residents in properly managing their waste, Supervisor Antonovich encourages residents to utilize other vital County programs including:

- The Antelope Valley Environmental Collection Center – to dispose of hazardous waste.
- Free Tire Collection Day – to dispose of tires at locations twice a year or four unwanted tires per year at Lancaster Landfill.
- Free Bulky Item Drop-off – to dispose of one bulky item a year at the Lancaster Landfill.
- Free Dump Day – allows County residents to drop-off up to 1 ton of trash twice per year.



For more information, please contact the Los Angeles County Department of Public Works Environmental Programs Division at (626) 458-4991.

### CEO

*continued from page 3*

The reception committee also included Queen Jones and Jackie Mizell Burt, Department of Public Social Services (DPSS) and active members of ABCA; Cynthia Machen, Countywide Criminal Justice Coordinating Committee and Chair of AAHC; and Victoria Pipkin-Lane, CEO Workplace Programs, Program Coordinator, AAHC.

Supervisor Burke worked with Dr. King in the civil rights struggle and pointed out that honoring Fujioka "pays tribute to that legacy as he is the first Japanese American to serve as County CEO, an historic appointment that inspires all minorities."

Supervisor Knabe spoke in comedic terms about the "new County CEO and the challenge facing Fujioka as he implements the new structure." His remarks were well received by the capacity audience.

Charisse Bremond-Weaver, President and CEO of the Brotherhood Crusade, welcomed Fujioka to the County on behalf of the local African-American community. The agency was a sponsor of the event. "Our partnership with the County is a strong one that will continue," Bremond-Weaver said. "We look forward to continuing the great working relationship," she added.

Reverend John Hunter, Senior Pastor, First AME Church, delivered the invocation. Also giving remarks were Vernon Webb of United Way of Greater Los Angeles, a co-sponsor of the reception with the L.A. Federal Credit Union, Vibrant Publishing Company, Inc. and HTL Global Enterprises.

A special highlight of the reception was the presentation of gifts to Fujioka and his wife, Darlene Kuba Fujioka, by the AAHC and the ABCA. A special plant and African American artwork was given to Fujioka, while Mrs. Fujioka received a beautiful and authentic baby blue colored African dress and head wrap.

## Supervisor Yaroslavsky Tackles Transportation at “Move LA” Transit Summit



On Thursday, January 10, Supervisor Zev Yaroslavsky delivered a blunt and candid assessment of the region’s transit challenges as a featured participant on the concluding panel convened as part of the “Move LA” all-day public transit conference held in downtown Los Angeles. Supervisor Yaroslavsky’s remarks touched on various transit projects underway such as the Expo Line Light Rail through Culver City to Santa Monica and the Eastside Gold Line Light Rail, as well as other suggested projects including the Wilshire subway extension.

*Pictured with Supervisor Yaroslavsky, from the left, are Dr. Manuel Pastor, USC; John Fasana, Metro Board member; Richard Katz, Metro Board member; and Parke Skelton, political consultant.*

## Supervisor Antonovich Dedicates New Lifeguard Patrol Boat at Castaic Lake

Los Angeles County Supervisor Michael D. Antonovich joined members from the Los Angeles County Department of Parks and Recreation, Castaic Lifeguards and the community in the dedication of the new “Bravo 4” patrol boat.

Constructed by D.R. Radon Boat Building, Inc., Bravo 4 is 22 feet long and weighs 5,000 lbs with a top speed of 45 mph. The new boat will increase the Castaic Lake Lifeguard rescue fleet to 10 boats.

Bravo 4 safety features include:

- A GPS system that can locate boats lost in 100 or more feet of water
- A heavy duty pump capable of pumping 200 gallons of water per minute

In 2007, there were more than 20,000 incidents at Castaic Lake, with over 230 swimmers rescued and more than \$80 million worth of vessels saved.

“Bravo 4 will be a vital new resource to help save lives,” said Supervisor Antonovich.



*Bravo 4 Patrol Boat.*



*(From left to right) Stan Lee, LA County Parks and Recreation Commissioner - 2nd District; Russ Guiney, Director, LA County Parks and Recreation; Hugo Maldonado, Chief Lake Lifeguard, LA County Parks and Recreation; Supervisor Michael D. Antonovich; William J. Korek, LA County Parks and Recreation Commissioner - 5th District; Raymond E. Ojeda, LA County Parks and Recreation Commissioner - 3rd District*



## *County of Los Angeles Celebrates*

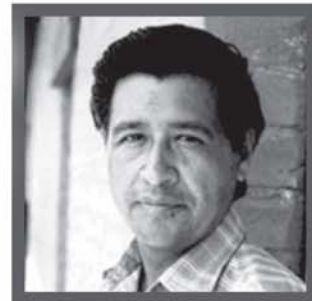
### **Cesar Chavez Community Service Week**

# VOLUNTEER OPPORTUNITIES

**March 24 - March 28, 2008**

*Volunteer opportunities (half-day) for County employees will be available during the Cesar Chavez Community Service Week in the following County departments:*

- *Animal Care and Control*
- *Beaches and Harbors*
- *Parks and Recreation*
- *Public Library*



*Photographer: George Rodriguez*

Visit [www.colapublib.org/chavez](http://www.colapublib.org/chavez)

# FOOD DRIVE

**March 17 - March 31, 2008**

*For additional information, contact your department coordinator or call the CEO/Office of Workplace Programs at (213) 974-2523.  
(Food distributed by the L.A. Regional Food Bank)*



## Supervisor Knabe Honored by Children's Mental Health Agency for Support of Children's Causes

The Intercommunity Child Guidance Center (ICGC), which provides comprehensive mental health and social services for children and their families, recently recognized Los Angeles County Supervisor Don Knabe for spearheading landmark programs designed to safeguard children.

"While on the Board of Supervisors, Don Knabe has repeatedly advocated for and supported groundbreaking programs to protect the lives of children and safeguard their environment," said ICGC Executive Director Charlene Dimas-Peinado. "He's truly been a champion of children's causes throughout his career, as well as an advocate for children's mental health services."



The ICGC, which serves the Whittier and Southeast Los Angeles County area, presented its "Children's Champion Award" to Supervisor Knabe during its recent 50th Anniversary Gala held at the historic Ritz Carlton Huntington Hotel and Spa in Pasadena.

Supervisor Knabe championed the County's Safe Surrender Program in 2001, which allows a parent or guardian to drop off an infant, three days old or younger, to a hospital emergency room or other designated location without fear of arrest and prosecution. Based on the State's Safe Haven Law, the program has saved the lives of more than 60 newborn children.

In addition, Supervisor Knabe led efforts for the creation of a Child Care Quality Review System in the County of Los Angeles, sought to enhance the County's oversight of the State-licensed Foster Family Homes program, led a drive to reform the County's Department of Children's and Family Services and helped to establish a rating system for child care centers to help parents make informed choices.

Proceeds from the gala dinner benefited the "Early Attachments...that last a Lifetime Infant-Toddler Center," an ICGC project in partnership with Presbyterian Intercommunity Hospital in Whittier. The Center will provide an early intervention and prevention program for families with infants at-risk for abuse, neglect or foster care placement with the goal of decreasing that risk by providing services aimed at fulfilling the well-being of the entire family system.

## Protecting Public Lands

*Supervisor Yaroslavsky Thanks Senator Feinstein*

Supervisor Zev Yaroslavsky presented Senator Dianne Feinstein with a scrapbook of historic photos, illustrations and postcards of the West LA Veterans' Administration (VA) site, where this picture was taken, in gratitude for her recently-enacted legislation protecting the nearly 400 acres of that site from commercial development and preserving it for the benefit of veterans. Senator Feinstein's legislation, which passed the House thanks to the strong support of Representative Henry Waxman (D-Los Angeles), who represents the area, was included in an omnibus appropriations bill signed into law by President Bush in December.



# Share It



## Tips on Using Gift Cards from the Department of Consumer Affairs

Gift Cards – What do they have in common with Gym Memberships?

They are things people get all the time but often don't use.

Are you too lazy to buy real presents or don't know what to get your gifted brother-in-law? Get him some loving gift cards. You won't be alone. Over 60 percent of American adults buy or receive a gift card each year at a cost of over \$60 billion last year alone.

The appeal of gift cards is obvious. They save time and thinking for buyers. A \$20 gift card beats slipping two fives and a bunch of wrinkled ones into an envelope. For recipients, gift cards ward off the bliss of returning unwanted gifts. Merchants love gift cards because many go unredeemed and they drive customers to their stores. In 2006, Home Depot earned a whopping \$43 million from unclaimed, lost, and expired gift cards. Best Buy made out with \$19 million. Wal-Mart, Inc. won't say how much gift cards added to its bottom line.

So, what's not to like about gift cards? Nothing, if your job is to sell them. If you are one of 160 million Americans who got a gift card last year, however, you contributed to the roughly \$8 billion that goes unclaimed each year. Unless charity for your favorite merchants is your thing, here are some things you can do to get your money's worth from your gift cards:

- Use them *pronto*, don't store them away under your mattress. The longer you hang on to them, the greater the risk you will lose them or forget you have them.
- Say no to unwanted fees. In most cases, unless you have less than \$5 left in the card and you haven't used it for 24 months in a row, merchants can't charge fees.
- Don't let merchants tell you your gift cards have expired. According to the law, the gift cards can't have expiration dates, unless they are for perishable foods. If a card is allowed to have an expiration date, it has to be printed clearly on the front of the card.
- Get cash back if you have less than \$10 left. Starting January 1, 2008, the law says you can request cash if the card has less than \$10 left.
- Trade them for cash or goods. Many Web sites let you combine your gift card collection and get cash or goods for them.
- Re-gift them to people who gave them to you. They won't know.

Oh, one last thing: Increasingly popular bank gift cards – those that carry the logo of credit card companies – are different than other gift cards. They can have expiration dates and come loaded with a long list of fees. This list may include purchase fees, monthly maintenance fees, inactivity fees, and transaction fees. Bank gift cards are required to have any expiration dates and fees printed

on the front of the card. They are also required to have a customer service number or web address printed for you to get more information. Understand expiration dates, fees and limitations before you commit.

If you want to talk about consumer issues, call our friendly staff at (800) 593-8222. The call and service are free. If you are not into calling, check out our great Web site: [dca.lacounty.gov](http://dca.lacounty.gov).



### Members of the Board

**Yvonne B. Burke**  
Chair  
Second District

**Gloria Molina**  
First District

**Zev Yaroslavsky**  
Third District

**Don Knabe**  
Fourth District

**Michael D. Antonovich**  
Fifth District

**Michael J. Henry**  
Director of Personnel

**Sandra Wallace Blaydow**  
Ombudsman/Community Liaison

**John S. Mina**  
Managing Editor

**Simon Y. Lee**  
Editor

default. The lawsuit says that the draft VCA didn't acknowledge that HUD previously had accepted 382 accessible units in September 1997 and that the federal district court had certified 162 units as Section 504 compliant in connection with the ADAPT lawsuit.

The draft VCA called for the construction or conversion of 782 accessible units, according to the PHA, which responded with a May 7, 2007, letter and a third-party consultant's report certifying that the authority was in compliance with Section 504. In addition, the PHA attached a progress chart showing the status of all items raised in HUD's accessibility review and report. On December 17, 2007, HUD declared the PHA in default of the MTW agreement.

While not commenting on the specific allegations in the lawsuit, HUD said in a statement that "the department believes this litigation will vindicate our actions to enforce our nation's fair housing laws, and the best way to resolve this case is to let the legal system run its course. We stand by our efforts to help the low-income disabled citizens of Philadelphia get the housing that they need and deserve, and it would be unfair to those residents for this case to be tried in the press."

#### MORTGAGE FINANCE

### Fannie Mae, Freddie Mac Call for Flexibility in Affordable Housing Goals

Fannie Mae and Freddie Mac called for more flexibility in their affordable housing goals as part of legislation to reform the government-sponsored enterprise (GSE) regulatory structure.

In testimony at a February 7 Senate Banking Committee hearing, Daniel H. Mudd, Fannie Mae president and CEO, explicitly endorsed the creation of a GSE affordable housing fund with contributions based on net income. He also said the GSEs should manage the fund in regular consultation with Congress and their regulator.

Richard F. Syron, Freddie Mac chairman and CEO, also said the affordable housing fund should be tied to GSE profitability.

By contrast, Fannie Mae-Freddie Mac affordable housing fund contributions would be based on their mortgage portfolios under both the House-passed GSE reform bill (H.R. 1427) and the bill (S. 2391) introduced by Sen. Jack Reed (D-R.I.).

#### Affordable Housing Goals

Both Mudd and Syron told the committee that reform legislation should transfer responsibility for the GSEs' affordable housing mission and goals, as well as authority over new products, from HUD to the new regulator.

In addition, they said, the goals should be streamlined and made more flexible, to reflect actual market conditions.

"Legislation should guard against a proliferation of goals, subgoals, and overlapping requirements, and provide an enforcement regime that is remedial rather than punitive," Syron said. "Bonus points worked well in the past to encourage the GSEs to enter more challenging

markets when it made business and market sense to do so."

Mudd said the affordable housing fund should be integrated into a new affordable housing goals regime. "The regulator should evaluate the totality of our results at expanding affordable housing," he said.

#### Support for Regulatory Reform

In giving the Administration's views on GSE regulatory reform, Treasury Assistant Secretary David G. Nason emphasized the need for prompt legislative action.

"It is paramount that the housing GSEs properly manage and supervise the risks they undertake and that a strong regulator oversee their operations," Nason said. "Otherwise their solvency could be threatened, and this could have a negative impact on the stability of other financial institutions and the overall strength of our economy."

Specifically, Nason said the new regulator should have the authority to put Fannie Mae or Freddie Mac into receivership if necessary, review authority over their retained mortgage portfolios, and authority to set both minimum and risk-based capital requirements.

However, Syron cautioned against imposing on Fannie Mae and Freddie Mac the same capital standards that are applied to banks, which he said have much higher charge-offs.

"Requiring the GSEs to have the same leverage ratio as banks would make the GSE business model unviable without enormous price increases, which would be problematic on a number of fronts," he said. "If required capital levels are raised too high, the return to shareholders could be so diluted that we would not be able to attract the capital needed to provide liquidity to the market."

Syron said risk-based capital standards for the GSEs should reflect the risks that arise from their business. He also said the GSE regulator should have the discretion to temporarily raise minimum capital requirements based on a finding of increased risk, with the requirements returning to their earlier levels when the risk subsides.

#### Portfolio Limits

Mudd also argued against imposing mortgage portfolio limits on the GSEs based on potential risk to the overall financial system.

The House GSE bill as reported out of committee included such a provision, but the bill was amended on the floor so that the consideration of risk, for purposes of portfolio restrictions, would be limited to risks to the GSEs themselves.

However, James B. Lockhart III, director of the Office of Federal Housing Enterprise Oversight (OFHEO), told the committee that risks to the housing markets should also be taken into account in setting portfolio limits.

Mudd and Syron also warned about approval requirements for new mortgage products and activities that could impede the GSEs' ability to adapt to changing market conditions.

"It is important that the regulatory oversight process be efficient," Mudd said. "Imposing a cumbersome pre-

cover the amount due on the loan) or accept deeds in lieu of foreclosure.

A servicer can approve a compromise sale if the loan is insoluble and the net sales proceeds will equal or exceed the net value of the property. In addition, the property owner can't share in the sales proceeds.

If a compromise sale isn't practical, a servicer can accept a deed in lieu of foreclosure if the guaranty payment won't exceed the payment in a foreclosure and if the owner can convey marketable title to the VA.

If these conditions aren't met, the servicer can still request prior VA approval for a compromise sale or deed-in-lieu.

### **Incentive Payments**

The regulations provide incentive payments to servicers for loss-mitigation actions based on the type of action and the servicer's performance-based ranking.

Tier one is the highest ranking in the four-tier ranking system, and tier four is the lowest. Servicers in the first three tiers are eligible for incentive payments, and all servicers are being placed initially in tier two while the VA develops ranking criteria.

Incentives will be paid for successfully completing a repayment plan, special forbearance, loan modification, compromise sale, or deed in lieu of foreclosure. The payments will range from \$120 to a tier-three servicer for a repayment plan or special forbearance to \$1,000 to a tier-one servicer for a compromise sale. The tier-two payments range from \$160 to \$800.

### **Calculation of Net Value**

Currently, the VA calculates the net value of a property secured by a loan in default in order to determine the amount to be paid on a guaranty claim and whether the property can be conveyed to the VA after foreclosure.

The net value is generally the fair market value minus the costs of acquiring and disposing of the property. The latter costs are established by the VA as a percentage of fair market value.

Because of complaints about delays in the current process, the new rules require loan holders to calculate net value by requesting the VA to assign an appraiser to conduct a liquidation appraisal.

The law generally precludes conveyance of a property to the VA if the calculation shows that the net value is equal to or less than the unguaranteed portion of the loan. However, the rules will allow the holder to convey the loan in such a case by waiving a portion of the debt.

### **Appraisal Program**

The regulations also establish a new servicer appraisal processing program (SAPP) in which the holder will use the appraisal to determine the fair market value of the property. The SAPP is similar to the Lender Appraisal Processing Program for loan originations, where qualified lenders establish the value of properties in order to determine the maximum loan the VA could guarantee.

If the holder isn't eligible for the SAPP, the VA will determine the fair market value, and the holder will then calculate the net value.

The rules generally require holders to submit guaranty claims within one year of the completion of a liquidation sale. If any items in a claim are denied, the lender must submit a request for reconsideration within 30 days.

### **HUD PROGRAMS**

## **Proposed Rules Issued to Establish Roster of Public Accountants**

HUD has issued proposed rules for the establishment of a roster of approved independent public accountants and accounting firms (IPAs) that would be permitted to perform audits and related services required by participants in certain HUD programs.

The rules would also establish eligibility, application, and removal procedures for IPAs on the roster.

The rules were published in the February 6 Federal Register, and comments are due April 7.

To give eligible IPAs time to register with HUD, the department plans to delay the implementation of the roster requirements until 12 months after publication of final regulations.

### **Eligibility Requirements**

As defined by the regulations, IPAs would include individuals employed by a public accounting firm, including a solo practice, or by a state auditor's office and licensed by a state or other political subdivision of the United States. All certified public accountants would be considered IPAs.

To be placed on the roster, an IPA would have to submit an application to HUD identifying the jurisdictions for which it wants to be listed.

IPAs would have to be licensed or authorized to practice in each of those jurisdictions. In addition, they could not be, nor employ or contract with anyone who is, suspended, debarred, voluntarily excluded, subject to a limited denial of participation, or subject to any order of disbarment or other denial of the right to practice before the Securities and Exchange Commission (SEC).

IPAs also could not be subject to a jurisdiction's disciplinary action that results in the revocation, suspension, or surrender of a license or authorization to practice public accounting.

### **Use of IPAs**

In addition, an IPA would have to agree to accept only engagements for audits or related services for which it meets the minimum qualifications specified by the generally accepted government auditing standards (GAGAS) and to accept engagements only for covered entities located in jurisdictions for which the IPA is listed.

Similarly, PHAs, contract administrators, and FHA lenders and loan correspondents which are required to use an IPA would have to select one listed on the roster for their particular jurisdiction.

HUD is making clear, however, that placement of an IPA on the roster does not constitute a warranty or endorsement by the department.

### Placement, Removal Procedures

Under the regulations, HUD would review and make a decision on an application for placement on the IPA roster within 45 days.

If the application is denied, the IPA would be given 30 days to request consideration and show that it met all of the eligibility requirements. If the denial is upheld, the IPA would be required to submit a new application for consideration for future placement on the roster.

A IPA could be automatically removed from the roster by incurring disciplinary sanctions or by allowing a license or authorization to practice to expire. An IPA could be contestably removed for failure to maintain compliance with other eligibility requirements or for failure to comply with HUD agreements.

The IPA would have 30 calendar days to object to a contestable removal and request a conference. The deputy assistant secretary of the Real Estate Assessment Center (REAC) or a designee would make a determination within 30 days of the written response or conference affirming or denying the removal, or deferring removal to give the IPA time to address the problems found.

Automatic removals would be effective as of the date the IPA receives the notice, and contestable removals would be effective 30 days after the date of the notice, if there is no response, or the date of notice affirming the initial removal decision, if there is a response.

An IPA removed from the roster generally could not

request reinstatement for one year. However, an IPA automatically removed because of the expiration of a license or authorization to practice could seek reinstatement at any time by showing that the license or authorization has been renewed.

*(For further information, contact Elizabeth Hanson, 888-245-4860.)*

### Housing and Finance Briefs

**HUD has identified over 1,400 PHAs as high performers** which will be eligible to receive bonus capital fund allocations for 2008. The list is available on the department's web site, at [www.hud.gov/offices/pih/programs/ph/capfund/highperf08.cfm](http://www.hud.gov/offices/pih/programs/ph/capfund/highperf08.cfm). Any PHA which believes that there is an error in the list must contact HUD by e-mail at [PIHOCI@hud.gov](mailto:PIHOCI@hud.gov) no later than February 22.

**HUD has extended the application deadline** for fiscal 2007 public housing Neighborhood Networks funding to March 14 because of a technical problem with the electronic application package. A notice of the extension was published in the February 11 Federal Register.

**HUD has announced the FHA debenture rates** to be used for mortgage insurance claims for the six-month period beginning on January 1, 2008. The rates are 4-1/8 percent for the Section 221(g)(4) buy-back program and 4-1/2 percent for other programs.



text was raised in Kelo because there was no finding of blight. Instead, the Court upheld a taking solely on the basis of support for economic development.

The court also noted that prior to Kelo, the few lower court cases suggesting that a pretextual public use may be invalid appeared to involve plaintiffs' assertions that takings served no public use.

By contrast, the court said, in this case the plaintiffs have effectively acknowledged the project's relationship to legitimate public uses. Nevertheless, they asserted that the taking is constitutionally impermissible because officials were motivated by a desire to confer a benefit on Ratner. The court rejected this argument.

"We do not read Kelo's reference to 'pretext' as demanding, as the appellants would apparently have it, a full judicial inquiry into the subjective motivation of every official who supported the Project, an exercise as fraught with conceptual and practical difficulties as with state-sovereignty and separation-of-power concerns," the court added.

While the fact pattern in a particular case could require a closer scrutiny of the justification being offered for a taking, the court added, this case doesn't justify such an inquiry.

The court also affirmed the district court's dismissal of the due process and equal protection claims.

#### BANKRUPTCY

### PHA Doesn't Qualify for Exception To Automatic Stay in Effort to Get Possession of Public Housing Unit

The automatic stay blocks a PHA's attempt to obtain possession of a public housing unit occupied by a tenant who has filed for bankruptcy, the U.S. Bankruptcy Court for the Western District of Pennsylvania ruled, finding that a pre-petition judgment obtained by the PHA was not a judgment of possession for purposes of a statutory exception to the stay. (*In re Alberts*, No. 07-25703-JAD, 2008 WL 199700 (Bankr.W.D.Pa.), January 24, 2008)

The Housing Authority of Beaver County, Pa., leased a public housing unit to tenant Sheri M. Alberts in September 2006. On December 13, 2006, the authority filed a complaint in magisterial district court alleging violations of the lease, including nonpayment of rent. The magisterial district judge entered a judgment in favor of the authority, awarding rent in arrears, attorney's fees, and possession of the property.

Alberts appealed to the county court of common pleas, and pursuant to a show-cause rule, the authority filed a new complaint in that court. The court set a trial date of October 25, 2007, but Alberts filed a Chapter 7 bankruptcy petition on September 10. Her case was converted to Chapter 13 on October 22.

#### Automatic Stay

The automatic stay, 11 U.S. Section 362(a), precludes certain post-petition actions of creditors, including efforts to obtain property of the debtor.

However, Section 362(b)(22), enacted in 2005 as part of the Bankruptcy Abuse Prevention and Consumer Protection Act, provides an exception to the automatic stay that allows for the continuation of eviction proceedings in cases where a landlord has obtained a pre-petition judgment for possession of residential real property.

The housing authority argued that because of Section 362(b)(22), the automatic stay doesn't affect its post-petition efforts to enforce the judgment of the magisterial district court. Alternatively, it asked for relief from the automatic stay.

Alberts opposed the relief requested by the housing authority and filed a motion for contempt, asking the court to find that the housing authority and its attorney violated the automatic stay by continuing to prosecute proceedings to enforce the magisterial district court's judgment.

#### Court Ruling

The key issue, according to the court, is whether the order of the magisterial district court constitutes a "judgment for possession" of residential real property within the meaning of Section 362(b)(22).

Since Congress has not defined the term "judgment" anywhere in the Bankruptcy Code, the court said, the established meaning under common law should be applied.

The court noted that Black's Law Dictionary defines a judgment as a court's "final determination" of rights and obligations in a case. Accordingly, the court explained, "finality is a key component to any court order having the legal effect of a binding judgment."

In some cases, the court said, lower court orders will lose the requisite degree of finality because they are subject to de novo review on appeal.

Here, the court noted, because of Alberts' appeal, the case was subject to de novo review by the court of common pleas. "Under such circumstances, this Court concludes that there was no recognizable 'judgment' for purposes of 11 U.S.C. Section 362(b)(22) in place as of the petition date," the court said. "As a result, the exception to the automatic stay cited by the Housing Authority has no application in this case and the Motion for Relief from Stay will be denied by the Court on this basis."

#### Request for Relief from Stay Denied

The court also rejected the authority's request for relief from the automatic stay on the grounds that its interests in the property aren't adequately protected and that the property isn't necessary for the debtor's reorganization.

The court said the provisions for monthly payments of \$190 under the debtor's Chapter 13 plan provide sufficient protection.

"Moreover," the court added, "there is a presumption in personal bankruptcies that a Chapter 13 debtor's residence is necessary for an effective reorganization when the purpose of filing for Chapter 13 is to retain possession of the debtor's home."

The court also denied the debtor's motion for contempt without prejudice, finding no reason to disrupt the state court proceedings at this time.

ance Corporation (FDIC), called for a streamlined, systematic approach to the modification of subprime adjustable-rate mortgages (ARMs) where borrowers are now current but won't be able to afford the payments after the rates reset.

Bair said those loans should be restructured to retain the starter rate for five years or more.

If necessary, Bair added, Congress could clarify servicers' authority to undertake such modifications by establishing a clear statutory standard for their fiduciary obligations.

She said such a standard could state that any duty of servicers to maximize net present value is owed to all parties in a loan pool and that such a duty would be satisfied through implementation of a modification if the anticipated recovery through modification exceeds the anticipated recovery through foreclosure.

#### AFFORDABLE HOUSING



### Homes for Working Families Presents 2008 Pioneer Awards For Employer-Assisted Housing

Homes for Working Families (HWF), a nonprofit focused on improving housing affordability for families earning 60 to 120 percent of area median income, has announced the recipients of its 2008 Pioneer Awards for leadership in employer-assisted housing and issued a guidebook with case studies of the winners.

HWF describes employer-assisted housing as a range of housing benefits that employers can offer their employees, including homeownership education and counseling, financial assistance for home buyers or renters, investment in newly constructed housing, and loans and grants for housing renovations.

The award winners are American Family Life Assurance Company, Inc. (Aflac) of Columbus, Ga.; Applied Materials, Inc., Santa Clara, Calif.; Brownstein Hyatt Farber Schreck, LLP, Santa Barbara, Calif.; Citizens Financial Group, Inc., Providence, R.I.; City of Columbia, S.C.; City of Seattle; CVS Caremark, Washington, D.C.; Harley-Davidson Motor Company, Milwaukee, Wis.;

Also, Johns Hopkins University, Baltimore; Northrop Grumman Corporation, Long Island, N.Y., and Pascagoula, Miss.; Schwan Food Company, Marshall, Minn.; System Sensor/Honeywell, St. Charles, Ill.; UNITE HERE Local 226, Las Vegas; and the University of Chicago and University of Chicago Medical Center, Chicago.

Details of the employer-assisted housing program operated by each award winner are in the new guidebook, which HWF developed with the assistance of the Metropolitan Planning Council, a Chicago-based policy organization that provides employer-assisted housing technical assistance nationwide.

#### Homeownership Assistance

One award winner, CVS Caremark, which is headquar-

tered in Woonsocket, R.I., launched its program, Prescriptions for Homeownership, in Washington in 2005 and in Los Angeles in 2007.

CVS gives participating employees a \$500 grant and its lending partner, American First Credit Union, provides a matching \$500 credit at closing. The Mount Lebanon Baptist Church administers the program and provides home buyer education and counseling. Freddie Mac pays the church to administer the program and buys the mortgage loans.

So far more than 50 employees have bought homes, and CVS plans to expand the program to Chicago, Cleveland, and Detroit this year.

Harley-Davidson, with 3,900 employees in the Milwaukee area, provides down payment assistance and credit counseling. The Walk to Work program encourages employees to invest in housing near the Harley-Davidson headquarters, which the city has designated a targeted investment neighborhood. The program provides pre-purchase guidance and loan packaging services to expedite loan applications.

In addition, Harley-Davidson employees who buy a home in the targeted neighborhood can receive \$2,500 in down payment assistance. The assistance is forgiven over three years if the employee stays with the company and continues to own and live in the house as his or her primary residence.

From 2000 to 2005, 70 Harley-Davidson employees received credit counseling and home buyer education services, and 27 purchased homes using the program's services.

#### Affordable Homes

The Schwan Food Company, in conjunction with its public and private partners, focused on creating Parkway, a development of 120 affordable homes in Marshall, Minn., for employees and other community residents.

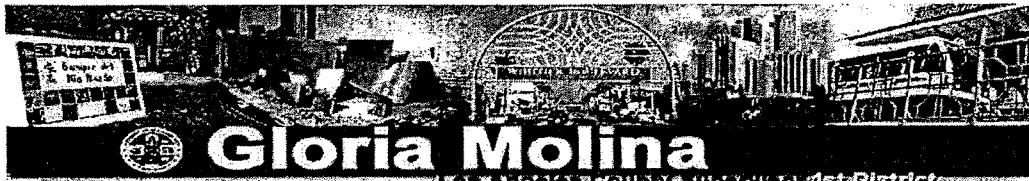
During Parkway Phase I, Schwan's Development Corporation, Inc. made an initial investment of \$498,000 toward a no-interest revolving construction loan fund to build single-family homes, a loan fund for the development of rental town homes, and matching funds for closing cost assistance.

In Parkway Phase II, Schwan's Development Corporation, Inc., committed \$1.8 million to a six-year multiphase development, providing funds for land acquisition to the Marshall Economic Development Authority, an infrastructure loan to the city, and gap financing to developers.

The Phase II assistance will help provide soft second loans for down payment and closing cost assistance. The assistance is available to Schwan employees with incomes at or below 80 percent of the statewide median income.

Forty Schwan employees have participated in the home buyer education curriculum, which is open to all employees, and 13 of those receiving counseling have bought homes in Parkway.

("Understanding Employer-Assisted Housing" is available from HWF at [www.homesforworkingfamilies.org](http://www.homesforworkingfamilies.org).)



FOR IMMEDIATE RELEASE

CONTACT: Angie Castro, (626) 350-4500/(213) 703-2823

## **MOLINA BRINGS 750 NEW JOBS WITH FIRST-EVER COMMERCIAL SHOPPING CENTER IN UNINCORPORATED SOUTHEAST**

### **18.3 Acre Development Replaces Blight with 26 National and Local Retailers**

UNINCORPORATED SOUTHEAST LOS ANGELES (Feb 22, 2008) – In preparation for the opening of the first-ever retail center in unincorporated Southeast Los Angeles later this year, Los Angeles County Supervisor Gloria Molina announces local job-seekers will apply for 750 new employment opportunities Saturday, February 23 from 10:00a.m. to 2:00p.m., at the new \$64 million La Alameda Regional Shopping Center at 2140 Florence Avenue, Walnut Park, CA 90255 (Corner of Florence and La Alameda).

Molina said, "The La Alameda Shopping Center will revitalize Southeast Los Angeles and help boost the economy with the creation of new jobs."

The permanent, full-time new jobs will support the Shopping Center's 26 retail establishments including banking tenants such as: Avenue, Bank of America, Big 5, Chentes Bar and Grill, Chuck E. Cheese, Coldstone Creamery, CVS Pharmacy, Dollar Tree, Gamestop, Jamba Juice, LA Nails, Marshall's, Office Depot, Ono Hawaiian BBQ, Panda Express, Petco, Payless Shoe Source, Ross Dress for Less, Miry Fashions, Sally Beauty, Shiloh, Shoe Pavilion, Starbucks, Susie's Deals, Verizon and Wingstop. The 18.3 acre development also includes office space, Sheriff's sub-station and community technology center offering free services to students and parents.

La Alameda Shopping Center is a public-private partnership between the Los Angeles County Community Development Commission (CDC) and Primestor Development Inc. The Florence-Firestone Chamber of Commerce, Walnut Park Community Association and Florence-Firestone Community Enhancement Team also worked closely with Molina and Primestor during the planning and construction phase. Construction began August of 2006 and the Shopping Center officially opens July 12, 2008.

The County's Economic Development Business Incentive program provided \$14 million from the Federally-designated Empowerment Zone financing.

For more information contact, Primestor Director of Marketing Rafael Mijangos at (310) 652-1177.

-end-

Housing Affairs Letter Stories posted week of 2/23/08 - 2/29/08

***Probe Finds HUD Backdated Records***

A temporary assignment of a HUD regional official to the department's headquarters in Washington turned into a semi-permanent assignment without proper authorization, HUD's inspector general discovers.

The discovery illustrates a growing divide between HUD Secy. Alphonso Jackson and Deputy Secy. Roy Bernardi, as well.

Lily Lee was given the temporary Jackson in June 2005 to fill the role of acting deputy asst. secy. for single-family housing.

Federal rules require such assignments to be approved every 120 days. The IG found Lee's detail was extended several times without proper authorization and on two occasions, documents authorizing her detail were backdated.

Bernardi enters the picture in July 2007, telling Jackson Lee's detail should be ended. Jackson's office rejected Bernardi's advice and Jackson chief of staff, Camille Pierce, signed an authorization July 19, 2007 extending Lee's assignment, on an authorization form dated May 28, 2006.

Bernardi refused to sign the backdated document and a –similar document.

The IG probe, which resulted in a finding of no criminal wrongdoing, was initiated on a complaint by a whistleblower.

Lee's temporary assignment cost HUD \$155,000 in expenses above her annual \$172,000 salary. Aside from \$37,000 in per diem allowances, Lee billed HUD for \$60,000 for lodging during the 30-month assignment, as well as \$18,000 for car rental and more than \$5,000 for gas, parking and taxis.

In addition, Lee was awarded \$44,280 in bonuses during the assignment. While Lee was billing HUD for apartment rental, she rented a condominium she owns in the same building to another HUD employee for \$2,400 a month, HUD officials confirm.

02/29/2008 12:46 PM

***HUD Tells United Nations To Butt Out***

United Nations experts on housing and minority rights demand HUD to halt demolition of public housing in New Orleans, claiming it denies thousands of black residents their "right" to return to public housing.

HUD replies the UN is "misinformed" about the state of public housing in the city and accuses the UN "Special Rapporteur" on housing and its "Independent Expert on Minorities" of lying in assertions HUD had not consulted with the local community during the development process.

The UN claims adequate housing is a component of a "right" to an adequate standard of living, and HUD's program to replace public housing devastated by Hurricane Katrina with new forms of public housing will drive people, primarily blacks, into destitution.

The experts claim they are relying on second-hand information about the New Orleans housing crisis rather than on-site surveys.

HUD began demolition last week of the third of four large projects facing the wrecking ball, the massive St. Bernard public housing complex. Demolition of the CJ Peete and BW Cooper complexes has been underway and city permission of a demolition permit for the Lafitte development is pending.

HUD officials tell *HAL* all former public housing tenants have Sec. 8 housing vouchers to pay rental costs in the interim between demolition and new housing development.

02/29/2008 12:33 PM

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### **Lead Paint**

#### ***Jury Awards Millions In Lead Paint Case***

Maryland: A jury awards \$5.7 million to a man who was exposed to lead paint while a child living in public housing.

The Housing Authority of Baltimore City, responsible for the payment, claims there was no lead paint where Markeath Justice lived.

The award at the completion of the seven-day trial gives Justice \$5.1 million in non-economic damages and \$600,000 in economic damages.

The state capped non-economic damages in 1986, but Justice's lawyer claimed the damage to his client occurred before the cap became law.

02/29/2008 12:26 PM

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#### ***Lead Paint Draws \$240,000 In Fines***

Maryland: Eight landlords must pay a total of \$240,000 in fines for violating the state's lead paint law.

The state Dept. of the Environment alleged the eight property owners failed to reduce lead paint risk on their properties.

The highest fine of \$65,000 is assessed against David and Yvonne Sakers of Goldsboro, while the lowest fine of \$10,700 will be paid by Charles Bailey of Baltimore.

02/29/2008 12:28 PM

## Guns in Public Housing

- Last week, Rep. Albio Sires' (D-NJ) Asset Management bill (H.R. 3521) was debated on the House floor but ultimately sent back to committee for additional consideration (see Feb. 28<sup>th</sup> *CLPHA Weekly Report*). That unusual step was taken because House Republicans offered an amendment that, in essence, would have prohibited PHAs from including in their leases any language restricting gun ownership beyond that which is required in state or federal law.
  - In order to consider the legislation on the House floor again, the Financial Services Committee leadership is contemplating accepting the gun amendment.
  - To better inform the Committee on the gun amendment, we are conducting a quick survey to determine the impact of such a provision on CLPHA members:
1. Do you currently have provisions in your lease that restrict gun ownership in Public Housing? Yes \_\_\_\_\_ No \_\_\_\_\_
  2. If so, do those restrictions go beyond state, federal or local statutes? Yes \_\_\_\_\_ No \_\_\_\_\_
  3. If you do not have lease restrictions on gun ownership, are you contemplating enacting such provisions? Yes \_\_\_\_\_ No \_\_\_\_\_
  4. If you have lease restrictions on gun ownership, has anyone challenged them in court? Yes \_\_\_\_\_ No \_\_\_\_\_
  5. Would you support legislation that lifts the caps on management fees but prohibits lease-based restrictions on gun ownership? Yes \_\_\_\_\_ No \_\_\_\_\_
  6. If you do not restrict gun ownership, do you charge a fee to residents who possess guns? (Similar to a pet fee.) Yes \_\_\_\_\_ No \_\_\_\_\_

Please provide any additional comments that you think may inform our discussions.

**Time is of the essence. We need your responses by close of business Wednesday, March 5, because Financial Services Committee Chairman Barney Frank (D-MA) has invited CLPHA to meet with him and other Members of Congress on Thursday to discuss these issues.**

Please reply to Legislative Director Gerard Holder with your responses at [gholder@clpha.org](mailto:gholder@clpha.org).

dailynews.com

## Affordable housing still in demand

By Kerry Cavanaugh, Staff Writer

Article Last Updated: 03/04/2008 09:12:57 PM PST

Despite a cooling real estate market, the demand for affordable housing in the city of Los Angeles remains high, according to a coalition of business, housing advocates and religious leaders.

The coalition, called Housing L.A., is pushing Mayor Antonio Villaraigosa and the City Council to act on three stalled policies that members say will help create and preserve more low- and moderate-income homes.

The goal is to prod city leaders to address the long-standing housing crisis, said Paul Zimmerman, executive director of the Southern California Association of Nonprofit Housing.

"Do we see Los Angeles as a collection of wealthy enclaves, where public benefit in the form of favorable land policies and subsidies from redevelopment agencies make it easier to build projects like Grand Avenue?" Zimmerman said.

"Or are we going to be a city with people from a variety of professions, economies and walks of life who can live together?"

Housing advocates made a similar demand in April while the real estate market was still hot, but city leaders have not acted.

While the price of homes has dropped, it still outpaces what the average Angeleno can afford. And with foreclosures on the rise and the market unstable, more people are flooding into an already tight rental market.

The average rent in metropolitan Los Angeles was \$1,630 last fall and is expected to increase.

Worse, said Zimmerman and others in the Housing L.A. coalition, is that too many people who work in Los Angeles can't afford to live here - forcing workers to commute from far-flung communities and pushing businesses to move to cities with more affordable housing.

"Small and medium-size businesses create jobs, but where are those workers going to live?" asked Roberto Barragan, president of the Valley Economic Development Center.

"We haven't done enough to make sure there is housing available for these employees."

As a result, Barragan said, the city loses business to Santa Clarita and other areas that are closer to affordable housing in Palmdale, Lancaster and Kern County.

The coalition is pushing for three policies:

Require that developers include affordable housing in new projects (a policy called

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inclusionary or mixed-income housing).

Stop or slow the number of affordable rental units that are demolished or converted to condominiums.

Set aside a permanent source of funding for the Affordable Housing Trust Fund that helps pay for new low-income housing projects.

The first two proposals have raised the ire of developers, real estate interests and business groups in the past. They have opposed policies that raise the cost of developing housing or saddle developers with additional burdens.

Deputy Mayor Helmi Hisserich said the Mayor's Office is working on all three policies, and hopes to begin unveiling ideas - including a proposal for a community-specific affordable-housing requirement - this month.

"Every neighborhood is different," she said. "We want to try to enable Los Angeles to grow as communities rather than trying to have one size fits all."

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Housing Affairs Letter Stories posted week of 3/1/08 - 3/7/08

### **Assisted Housing**

#### ***Bloomberg Vetoes Sec. 8 Bill***

New York: Mayor Michael Bloomberg (R) vetoes a New York City Council proposal to force landlords to accept Sec. 8 voucher holders.

Present federal law does not address landlord obligations to Sec. 8 vouchers, but some communities, such as Montgomery County, MD, have approved their own ordinances requiring compliance.

Bloomberg's veto is expected to be overridden, considering the council's 39-8 vote to endorse it in January.

The bill would make it illegal for landlords to reject Sec. 8 vouchers or any other forms of local, state or federal government financial assistance. Vouchers would be considered income and discrimination against a housing applicant's earnings is barred under the Fair Housing Act.

Bloomberg contends the bill, while well-intentioned, bars landlords from making sound business decisions and requires them to enter into contracts with government agencies they might otherwise avoid.

The bill "fails to recognize that the onus should be on government to make the program more attractive for private sector participation, not the other way around," Bloomberg says.

Council Democrats argued the measure is a way to fight what they consider broader landlord discrimination against single mothers as well as black and Hispanic voucher holders.

While a veto override appears certain, less clear is Bloomberg's intention to enforce its provisions if it becomes law without his signature.

03/07/2008 12:23 PM

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#### ***HUD Begins Collecting Katrina Rent***

Victims of Hurricane Katrina living in housing provided under the federal Disaster Housing Assistance Program (DHAP) began paying HUD \$50 a month toward rent March 1.

The payments increase by \$50 a month until HUD ends the assistance program March 1, 2009.

Many families are living in market rate apartments while others living in trailers provided by the Federal Emergency Management Agency (FEMA) must find other living quarters by May, when the agency will close all remaining trailer sites in Louisiana, affecting 6,500 families at 50 sites.

Meanwhile, combined reports from several local government agencies and the Social Security Admin. (SSA) show about half of the poor, disabled or elderly who lived in the state before Katrina have not returned and an anticipated influx could dampen efforts to house everyone.

The Louisiana Medicaid program shows nearly half of the 134,000 people on its rolls before September

2005 have not returned, while SSA reports fewer than half of the nearly 38,000 retirees have returned.

03/07/2008 12:19 PM

### **Heard at HUD**

#### ***Crunch Time Approaches For Jackson***

HUD Secy. Alphonso Jackson has a date with the defendant's table in a Philadelphia court May 20.

That's when Judge Paul Diamond of the U.S. District Court for Eastern PA has scheduled the trial of a lawsuit filed against Jackson by Carl Greene, executive director of the Philadelphia Housing Authority (PHA).

Greene alleges Jackson retaliated against PHA for refusing to approve a land deal for a Jackson friend—transfer of \$2 million worth of PHA property to the private developer at a substantial discount (*HAL*, Issue 08-06).

Diamond has curbed all discussion of the case by both sides.

But details in the lawsuit tell the story. Greene contends former Philadelphia Mayor John Street (D), who was PHA chairman as well, told Greene Jackson wanted developer and music impresario Kenny Gamble to get the land.

When Greene refused, Jackson allegedly accused PHA of violating fair housing laws and he threatened to withdraw financial flexibility under HUD's Move to Work program.

Whether Jackson appears at the courthouse, or has HUD lawyers fill the gap, remains to be seen.

But sources tell *HAL*, the trial could be a turning point in Jackson's four-year HUD tenure.

While Republican Party operatives have been anxious for Jackson to step down over other allegations under investigation—contract favoritism is being probed by the FBI, Justice Dept., a federal grand jury and the HUD inspector general—Jackson has hunkered down for the long haul with the blessing of good friend President Bush.

Jackson has become Bush's emissary in the fight to stem the mortgage default and foreclosure tide by traveling around the country promoting the administration's program, HOPE NOW, a consortium of lenders working in tandem to rework faltering loans.

03/07/2008 11:49 AM

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## **Public Housing**

### ***Audit Finds Nepotism, Missing Cash***

Michigan: A HUD audit of the Highland Park Housing Commission (HPHC) discovers no-bid contracts to family members of employees and \$153,000 missing from operating subsidies.

The probe, covering an 18-month period ending in March 2007, shows HPHC officials allowed favoritism among public housing applicants, letting some leapfrog over others on a waiting list.

The agency covers public housing in a financially-destitute city surrounded by Detroit—it faced operational takeover by the state recently.

In another move, HUD wants to know why HPHC failed to spend most of the more than \$1 million in capital fund subsidies provided by the department.

HPHC failed to draw down all but \$278,000 over three years—2005-2007—to repair deteriorating public housing units.

HPHC has until June 19 to explain the findings.

03/07/2008 12:16 PM

### ***ROSS Grants Awarded***

Seniors, the disabled, and others living in public housing will get a \$50 million boost in grants awarded through HUD's Resident Opportunities and Self-Sufficiency Program (ROSS).

HUD provides nearly \$34 million to help 105 grantees offer public housing residents better access to education and jobs through the ROSS Family & Homeownership Grants.

The department awards 60 grantees \$16 million for programs that would allow elderly and public housing residents to be more independent through the ROSS Elderly & Persons with Disabilities programs. The latter program provides health and wellness opportunities, access to meal services, and transportation for medical treatment.

By state, California receives the most funding in the Family & Homeownership grants, roughly \$2.2 million going to seven municipal housing authorities. New York receives the second-highest amount, \$1.84 million – nearly \$1 million going to the New York City Housing Authority – while Kentucky receives \$1.75 million and Texas \$1.68 million.

California also receives the most money in the Persons with Disabilities program, \$1.873 million, with Kentucky second at \$1.75 million. New York at \$1.24 million, Georgia at \$1.2 million and North Carolina at \$1.14 million round out the other states receiving seven-digit amounts.

03/07/2008 12:32 PM

### ***Study Supports HUD Assumptions***

Louisiana: A study commissioned by the Housing Authority of New Orleans (HANO) shows far fewer than the 5,100 public housing families in the city's pre-Hurricane Katrina era want to return to the city.

The study by HANO, which now is under direct HUD supervision, shows seven out of 10 public housing tenants displaced by the hurricane want to return, but only a third wants to return to public housing.

Remaining families have become accustomed to the use of Sec. 8 housing vouchers, allowing them the option to rent where they would like to live provided they can find an available house or apartment. Vouchers became the emergency ticket to housing for thousands of displaced residents in the wake of the storm and many have settled into jobs and schools elsewhere, primarily in the Houston area.

The study conducted for HANO by the U. of Texas in Arlington, close to the Dallas concentration of storm victims, shows 72% of former public housing tenants want to return to New Orleans but only 35% would be willing to live in public housing while 37% want Sec. 8 vouchers.

Twenty-one percent of those polled prefer to remain in their new communities and continue to live in public housing there or live in private rental units subsidized with vouchers.

Preliminary surveys by HUD provided the basis for the department's decision to level four major public housing complexes and replace them with public- and mixed-income housing.

HUD's plan calls for 3,300 public housing g units and 1,765 mixed-income units to replace the 5,100 units being demolished.

**Info:** [www.cdpublications.com/docs/5466](http://www.cdpublications.com/docs/5466)

03/07/2008 12:28 PM

pasadenastarnews.com

## Habitat home sought

# Habitat for Humanity needs new local HQ

By Janette Williams, Staff Writer

Article Launched: 03/05/2008 11:03:50 PM PST

PASADENA - The irony isn't lost on Habitat for Humanity staff: The agency known for building affordable housing is looking for some affordable housing of its own.

After five years of being headquartered at 770 N. Fair Oaks Ave., the San Gabriel Valley affiliate must move out by June 30 to make way for the planned 2.8-acre Heritage Square redevelopment in Northwest Pasadena.

"I hope we're saved before we're homeless," Executive Director Sonja Yates said.

"We're seeking a new location, and we want to stay in Pasadena - how much we want to stay!" she said. "We feel we've made a lot of friends and have many donors here; there are so many reasons we must stay and find a place we can afford."

Yates said they always knew that the rental agreement with the city was temporary, and that the warehouse building where they have offices and run a thriving building surplus store would eventually be demolished for the Heritage Square redevelopment.

The project was the subject of rancorous debate last year when the City Council rejected a proposal by developer Danny Bakewell and sent it back for rebidding.

High rents make finding a new home in Pasadena a problem, Yates said, when even space at 50 cents a square foot is a "stretch" for the nonprofit.

"We've been looking in cities to the east, and we're trying to work something out with an owner in Northwest Pasadena, a sharing arrangement," she said. "But it will take someone with a good, philanthropic heart to make it work."

Councilman Victor Gordo, whose district includes part of Northwest Pasadena, said he'd like to see Habitat stay.

"They provide a terrific service for the entire region, and for them to call Pasadena home is a good thing," Gordo said.

"We should particularly keep in mind that they won the bid, essentially, to build at a very important location at Desiderio," Gordo said, referring to Habitat's plans to put affordable housing on the 5.1-acre Desiderio Army Reserve Center, to be vacated in about five years.

In the proposal being considered by the federal government, approved by the City Council last April, Habitat would build affordable housing on 5.1 prime acres under the Colorado Street Bridge;

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the rest would be park space and possibly an arts/environment community building.

Mayor Bill Bogaard said he knew that Habitat was "scrambling" for new space, and the city would offer moral support, at least, to keep them in Pasadena.

"We're always happy to hear when an organization is looking for space - sometimes wonderful things happen, although all too often they don't," Bogaard said. "Maybe things will be a little easier in light of the economic slowdown. Habitat has a long history and a national reputation and their presence in Pasadena is welcomed."

For more information about Habitat for Humanity, including its building surplus store, call (626) 792-3838.

[janette.williams@sgvn.com](mailto:janette.williams@sgvn.com)

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# Defiant board head urges suit on new housing rule



For the text of Jane Usher's e-mail, go to [dailynews.com](http://dailynews.com).

## CONTROVERSIAL: New law allows taller buildings.

By Kerry Cavanaugh  
Staff Writer

In a rare move by a mayoral appointee, a Los Angeles planning official has offered community activists a strategy to sue the city over a new rule that allows developers to build taller, bulkier buildings — with fewer parking spaces — as long as they include affordable units.

Planning Commission President Jane Ellison Usher, who was handpicked by Mayor Antonio Villaraigosa to sit on the commission, alerted activists in an e-mail Sunday just a month after the Los Angeles City Council adopted the controversial density-bonus policy.

In the e-mail, Usher said the ordinance raises issues that are "ripe for immediate litigation."

It is unusual for a political appointee to criticize a decision by elected leaders, and even more unusual to advise community leaders and others on how to fight City Hall.

But Usher has been an outspoken critic of the density-bonus law and said she is concerned about the lack of transparency in passing the ordinance.

The law, she said, conflicts with the mayor's "smart growth" vision and instead allows large, bulky development on residential sites that have no transit or jobs nearby.

"At the end of the day, the loser is the neighborhood and the winner is the developer — and the affordable housing that the community receives is peanuts," Usher told the Daily News, adding that she is trying to inform residents.

"If there are members of the community who would like to litigate these actions, there are statute of limitations that are short."

Villaraigosa supports the density-bonus ordinance as a way to develop more affordable housing, but his office would not comment on his appointee advising residents on how they could sue the city.

"With nine people sitting on the Planning Commission, you're bound to get a variety of viewpoints," said Janelle Erickson, spokeswoman to the mayor.

Council President Eric Garcetti helped push through the density-bonus ordinance amid opposition from some council members.

Garcetti spokeswoman Julie Wong said the ordinance is an important tool to help the city build more affordable housing.

"We stand by our ordi-

nance," she said.

But several community activists said Monday that they were grateful to have Usher publicly criticize the law, and said they expect that homeowner groups will be interested in heeding her advice.

"It takes a woman of great courage to do this. This is not the politically correct thing to do, under the circumstances," said Judy Price, president of the Valley Glen Neighborhood

Council.

Community groups have argued that the law allows incompatible development and overrules the height limits and parking requirements that are designed to maintain a neighborhood's character and quality of life.

Like Usher, they complain that the city's version is more generous to developers than it needs to be.

The result, said Lisa Sarkin of the Studio City Neighborhood Council, is apartment buildings towering over single-family homes.

"How can that not be appealed? You can't ruin a person's view to build a piece of property," she said.

City leaders argue that a state law enacted in 2005 requires the city to grant a density bonus. The legislation was designed to make it easier for developers to build affordable housing.

Planning Director Gail Goldberg, who takes direction from both Usher and Villaraigosa, said the department worked closely with the City Attorney's Office to comply with state law.

And Goldberg said she disagrees that the city's law gives too much leeway to developers.

"Clearly she is uncomfortable with probably the whole premise of the ordinance," Goldberg said of Usher's comments.

Usher's e-mail suggests that the city may have violated state environmental law by not studying the potential impacts

of granting by-right density bonuses.

Under the city ordinance, developers are automatically allowed to increase their projects' density by as much as 35 percent — and reduce the amount of parking spots required — without traffic analysis, community input or the right to appeal.

If the developer wants to increase a building height or reduce the amount of open space around a building, a study must be done of traffic and community impacts.

Usher, an attorney, is known as someone who speaks her mind and has helped transform the Planning Commission into an aggressive, hands-on board that badgers developers and pushes for community concessions.

Politically connected and no stranger to controversy, Usher became former Mayor Tom Bradley's legal adviser while he was under a grand jury investigation into his financial deals.

Before that, she was counsel to the 1984 Los Angeles Olympic Games, and then successfully represented the short-lived United States Football League (USFL) in its anti-trust lawsuits against the NFL.

She also was married to Harry Usher, an entertainment attorney credited with helping make the 1984 Olympics profitable. He had also served on the city's Cultural Affairs Commission for several years.

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213-978-0390

Zaterman, executive director of the Council of Large Public Housing Agencies (CLPHA). "We were taken aback by the language in the budget justification."

The National Association of Housing and Redevelopment Officials (NAHRO) was also concerned about the budget justification's position on capital funds, said Bill Maher, NAHRO general counsel, but he expects HUD to move ahead with implementation.

Also in the justification, HUD said it plans to continue to expand the capital fund financing program (CFFP), which allows PHAs to borrow from banks or issue bonds using their capital fund grants for collateral or debt service, subject to annual appropriations. As of December 2007, HUD has approved 106 transactions in which 186 PHAs participated. Some of these transactions include pools of several PHAs. A total of \$3.06 billion in loan and bond financing has been approved.

### Section 8 Programs

For Section 8 vouchers, the budget justification estimates that offsetting unusable balances from PHA net restricted asset accounts will make an additional \$600 million available for renewal funding.

A portion of the balances can't be used due to the cap on authorized units. HUD said that its proposal to lift the cap on the number of authorized Section 8 units would keep this balance from growing in the future and provide for a more efficient use of funds.

For project-based Section 8, HUD reported that nearly all program units were under contract with a third-party administrator. HUD anticipates that during fiscal 2009, a total of 17,370 contracts and 1,128,485 households will be placed under a project-based contract administrator. There are more than 1.3 million households in the program, according to HUD.

Also in the budget justification, HUD said it would again submit community development block grant (CDBG) reform legislation which had been submitted in 2006 and 2007 but not acted on by Congress.

The legislation would rewrite the CDBG formula and create a \$200 million challenge grant for communities that help highly distressed neighborhoods. The proposal would also terminate several CD programs targeted in previous years.

### ASSISTED HOUSING



## HUD Releases Median Incomes, Program Income Limits for 2008

HUD has issued estimated median family incomes and income limits for subsidized housing programs for fiscal 2008.

The median family incomes and income distribution estimates, which were released in Notice PDR-2008-01, are calculated for each metropolitan area and nonmetropolitan area using the Section 8 fair market rent (FMR) area definitions. The estimated median family income for the United States is \$61,500.

HUD has also issued fiscal 2008 income limits for Section 8 and public housing, in Notice PDR-2008-02, and

for the Section 221(d)(3) below market interest rate (BMIR), Section 236, and Section 235 programs, in Notice PDR-2008-03.

All three notices were issued on February 13.

The median income estimates are based on 2000 census data and 2006 American Community Survey (ACS) data. All estimates are projected forward from 2006 to April 1, 2008, using an annual trend factor of 3.5 percent.

State median family incomes range from a low of \$45,000 in Mississippi to a high of \$82,100 in Connecticut. The state metropolitan area medians range from \$51,900 in Arkansas and Mississippi to \$82,700 in Maryland; and the nonmetro medians, from \$40,300 in Mississippi to \$76,900 in Connecticut.

### Program Income Limits

For Section 8 and public housing, eligibility is limited to low-income families, with targeting requirements for very-low-income families and families with incomes no higher than 30 percent of area median income (generally referred to as extremely low income).

Very low income is defined as 50 percent of area median, with adjustments for areas with unusually high or low incomes or housing costs.

To account for these adjustments, HUD tentatively sets the four-person very-low-income limit at 50 percent of area median income, subject to a minimum and maximum.

### Very-Low-Income Limit

Specifically, the very-low-income limit can't be less than 50 percent of the state median nonmetropolitan median income or the amount needed to afford a two-bedroom unit renting at 85 percent of the FMR with 35 percent of income, whichever is higher.

Also, the limit can't be more than 80 percent of the national median family income or the income needed to afford a two-bedroom unit at 100 percent of FMR with 30 percent of income, whichever is higher.

In areas where Office of Management and Budget (OMB) metropolitan area definitions have changed, income limits won't be reduced below the previous year's limits for the largest old FMR area component of the new FMR-income limit area.

Although the low-income limit is generally defined as 80 percent of area median, in order to avoid distortions in the relationship between very-low-income and low-income limits, the latter will be set at 1.6 times the very-low-income limit. However, the low-income limit can't exceed the national median income of \$61,500, except when justified by high housing costs.

Similarly, the extremely low-income limit will be 60 percent of the very-low-income limit.

### Other Programs

The Section 221(d)(3) BMIR and Section 235 income limit is defined as 95 percent of area median, adjusted for family size and for unusually high or low housing costs.

The HUD low-income limits are used as the basis for



this calculation, so the program limits are set at 95/80 of the low-income limits.

For Section 236, most four-person limits are the greater of 80 percent of area median family income or 80 percent of the state nonmetro family income. Like Section 8 and public housing, HUD is setting the limit at 1.6 times the very-low-income limit, capped at the national median income except when a higher limit is justified by high housing costs.

#### AFFORDABLE HOUSING

### Advocates Say President's Budget Fails to Recognize Housing Needs

The National Housing Conference (NHC) said that despite the recent downturn in the housing market, the President's fiscal 2009 budget fails to recognize an increasing need for affordable housing.

Other affordable housing advocacy groups also called for additional funds for Section 8 project-based assistance and vouchers and said the budget is inadequate in meeting the need for rural housing and helping people with AIDS.

The NHC said that the budget leaves most critical housing and community development programs — especially the CD block grant program — “severely underfunded.”

“Decent, safe, and affordable housing serves as a solid foundation for good health and education and provides stability to families and their communities,” said Conrad Egan, NHC president. “NHC urges Congress to fully fund housing and community development programs at the levels necessary to effectively help America's low- to moderate-income working families that rely heavily on these essential programs.”

#### Public Housing

The NHC also said that the budget falls short in terms of meeting public housing needs. Although the operating fund would get a \$100 million increase, HUD estimates PHAs' funding would be prorated at 81 percent of their full formula amount. NHC said this proposed level is “simply unacceptable” for housing authorities “which are struggling to meet the needs of their residents.” The NHC also opposed the Administration's plan to eliminate the HOPE VI program.

The NHC also said that the \$16 billion proposed for Section 8 voucher funding, a reduction of \$337 million from this year's enacted level, makes it difficult for PHAs to maintain the current number of leased units. It said that the proposal to reduce the shortfall in the Section 8 project-based program with a \$400 million advance appropriation is encouraging, but estimated that the true shortfall is as much as five times that amount.

The NHC also said that proposed cuts for the Section 811 disabled housing program and the Section 202 elderly housing program would prevent the development of additional housing for “two highly vulnerable groups.”

The NHC noted the \$65 million requested for the housing counseling program and \$150 million for

NeighborWorks America to combat foreclosures. “Although promising, these measures are small tokens compared with larger budget shortfalls,” it said.

The U.S. Conference of Mayors (USCM) was highly critical of the President's budget. “Instead of investing in American families, this budget destabilizes American families and increases economic uncertainty,” the mayors said.

“We are shocked that the President's budget proposes deep cuts to basic programs like the community development block grant program (CDBG),” the USCM said. “For more than 30 years, CDBG has been recognized by HUD as one of its most efficient tools to strengthen local communities.”

#### Rural Housing

The rural housing budget would more than double rural rental assistance to \$997 million, provide no funds for direct Section 515 loans, and rescind \$20 million in previously appropriated funds for the Section 515 revitalization program. No new funding was requested for revitalization due to a lack of authorizing legislation.

“Unfortunately, you could see this coming,” said Colleen M. Fisher, executive director of the Council on Affordable and Rural Housing (CARH). “With one-year contracts all coming due at the same time — it may be \$1 billion in 2010 — the bottom line is, where will the rest of the money come from?”

“There are just a lot of unanswered questions and a lot of trying to read in between the lines with this budget,” said Fisher. “We obviously have some work cut out for us.” Fisher said she would like to know why the \$20 million in revitalization funds wasn't used — for example, if there were unused rental vouchers, or if there were not as many mortgage prepayments as the Rural Housing Service anticipated.

“What sort of tone does it set for the preservation program and restructuring legislation if they can't spend the money?” she asked.

The Section 538 multifamily guaranteed loan program would get a big increase from \$129 million in fiscal 2008 to \$300 million in 2009. “That's great that they are using the money,” said Fisher. “It is being used a lot more for preservation deals than in the past. Whether demand is \$300 million is the question.”

#### HOPWA Funding

The National AIDS Housing Coalition (NAHC) said that the budget proposal to hold funding of the housing opportunities for persons with AIDS (HOPWA) program at the fiscal 2008 level \$300.1 million comes at a time when AIDS service organizations anticipate a significant increase in the number of new HIV infections annually.

The NAHC said that level funding will essentially mean a cut for current HOPWA recipients as three new jurisdictions become eligible for funding in 2009.

“By no means does the flat funding of HOPWA come close to a level that is realistic in terms of meeting the need,” the NAHC said. The group noted that in many communities, there are long or closed HOPWA waiting lists, and other housing is often unaffordable.

## SECTION 8

## HUD Revises Enhanced Voucher Policy for Over-Housed Families

HUD has relaxed the conditions under which over-housed families can receive enhanced Section 8 voucher assistance without moving, under a revised policy announced in Notice PIH-2008-12 (HA), which was issued on February 15.

However, an over-housed family still must move to an appropriately sized unit in the project if one is available.

An over-housed family is a family residing in a unit with more bedrooms than the unit for which the family qualifies under the PHA's subsidy standards.

The new policy is effective prospectively from the date of the notice, and it applies both to enhanced voucher families that are determined to be over-housed in the future and to any over-housed family whose enhanced voucher subsidy is currently based on the gross rent for the oversized unit.

The policy will also apply if a family becomes over-housed because of a change in family size or composition.

### Subsidy Standards

A family's voucher assistance is normally based on the payment standard for the applicable family unit size or the payment standard for the unit it occupies, whichever is lower.

However, the regular program standards don't apply to enhanced vouchers, where assistance is based on the actual gross unit rent, when it exceeds the payment standard.

Under the notice, once a PHA determines that a family eligible for enhanced voucher assistance is over-housed, the PHA must notify the family and explain the requirements for assistance.

### Appropriately Sized Unit

The family must move to an appropriately sized unit, if one is available, in order to receive enhanced voucher assistance. In order to be considered available, a unit must be available for occupancy by the family, and it must meet all voucher program requirements, including rent reasonableness and housing quality standards.

If the family agrees to move, the enhanced voucher assistance will be based on the gross rent of the appropriately sized unit. If the family refuses to move, its assistance for the oversized unit will be calculated under regular voucher program rules.

If no appropriately sized unit is available, the family can receive enhanced voucher assistance based on the gross rent for the oversized unit, provided that it meets other program requirements. However, the family will have to move to an appropriately sized unit when one becomes available in order to continue to receive enhanced voucher aid.

Under HUD's previous enhanced voucher policy, as outlined in Notice PIH 2001-41, an overhoused family

would first have to make a good-faith effort to find an appropriately sized unit outside of the project before getting enhanced voucher assistance for the oversized unit. In addition, enhanced voucher assistance based on the gross rent for the oversized unit would be limited to one year.

If the number of over-housed families exceeds the number of available appropriately sized units, the PHA will determine the process for establishing the order in which those families will be required to move, such as the length of residence in the oversized unit, family age or frailty, or a lottery.

### MORTGAGE FINANCE

## OFHEO Lifts Limits on Portfolio Growth for Fannie Mae, Freddie Mac

The Office of Federal Housing Enterprise Oversight (OFHEO) removed the mortgage portfolio growth caps for Fannie Mae and Freddie Mac as of March 1 in recognition of the progress the two government-sponsored enterprises (GSEs) have made in dealing with their operational and accounting problems.

Both GSEs have been operating under regulatory restrictions, including the portfolio caps, remediation actions prescribed in consent orders, and requirements to maintain a capital cushion of 30 percent above the statutory minimums.

In lifting the portfolio growth caps, OFHEO Director James B. Lockhart noted that both companies have published audited financial statements for 2007, a step he called an "important milestone" in resolving their problems.

In their financial statements, Fannie Mae reported a net loss of \$3.6 billion for the fourth quarter of 2007 and a full-year loss of \$2.1 billion. Freddie Mac reported a fourth-quarter net loss of \$2.5 billion and a net loss for the year of \$3.1 billion.

### Consent Orders

Lockhart also reported that Fannie Mae and Freddie Mac have made "substantial progress" in completing the requirements of their consent orders.

While the 30 percent capital cushion requirement remains in place, Lockhart said OFHEO will consider a gradual reduction as each GSE nears the lifting of its consent order.

"The approach and timing of this decrease will also include consideration of the financial condition of the company, its overall risk profile, and current market conditions," Lockhart said. "It will also include consideration of the importance of the enterprises' remaining soundly capitalized to fulfill their important public purpose and the recent temporary expansion of their mission."

The economic stimulus bill (H.R. 5140) signed into law by President Bush on February 13 temporarily raises the size of the one-to-four-family mortgages the GSEs can buy.

The new one-family limit can be as high as \$729,750

## COURTS

### ASSISTED HOUSING

#### Federal "One-Strike" Policy Overrides Local Law on Evictions Only When Incorporated in Lease

The federal "one-strike" law allowing evictions from subsidized housing for criminal activity overrides local landlord-tenant law only when it is incorporated in the lease, ruled the District of Columbia Court of Appeals, finding that the federal policy is not self-executing. (*Pratt v. District of Columbia Housing Authority*, No. 05-CV-559, 2008 WL 449705 (D.C.), February 21, 2008)

The court recently upheld evictions from federally subsidized housing based on lease provisions that permit eviction for criminal activity, ruling that the federal law in those cases preempted a District of Columbia statute that allows tenants to cure lease violations and avoid eviction.

The issue in this case brought by Angela Pratt against the District of Columbia Housing Authority (DCHA) was whether the federal policy displaces the cure statute when criminal activity is alleged and shown, but the landlord seeks eviction based solely on a lease provision that does not incorporate the language of the federal statute.

#### Eviction Notice

Pratt lived with her son Davon as a household member. A police officer saw Davon driving a stolen vehicle, which was later found abandoned with Davon's identification in the back seat. Ten months later, DCHA served Pratt with a notice to vacate, claiming that she or a member of her household violated her lease and requiring her to quit the premises within 30 days, without a right to cure.

The notice alleged a violation of a lease provision that requires tenants to conduct themselves in a manner that will not disturb neighbors' peaceful enjoyment of the property and will help maintain decent, safe, and sanitary premises.

At trial, the court instructed the jury that DCHA had to prove criminal activity that violated the lease to support eviction. The jury awarded possession to DCHA.

On appeal, Pratt argued that she was entitled to a notice to correct before DCHA could sue to evict her for violating the lease. She argued that, unlike other cases, her lease did not include a provision expressly permitting eviction for criminal activity that threatens the safety or peaceful occupancy of other residents. The court agreed with her.

#### Lease Provisions

The court noted that one of the conditions imposed by federal housing assistance programs is that specific provisions must appear in the written lease agreements with individual tenants.

In this case, however, despite the statutory and regulatory mandate, Pratt's lease did not incorporate the precise, no-fault language from federal regulations permitting eviction for dangerous criminal activity by a tenant or a member of the household.

Since the sole ground for Pratt's eviction was a lease provision that did not mention criminal activity, the court concluded that the federal "one-strike" policy did not displace her right to cure.

DCHA implied at oral argument that it mistakenly never amended Pratt's lease to conform to the federal policy, but the court said that DCHA's mistake did "not justify denying her the protection [that local law] affords generally to tenants in the District charged with violating an obligation of tenancy."

The court further concluded that the District statute providing a cure before eviction guarantees an opportunity to correct all lease violations, including those involving criminal behavior. The court said Pratt should have the opportunity to avoid eviction by timely measures, such as excluding her son from the household, to prevent recurrence of her son's criminal activity.

The court vacated the judgment of possession and advised DCHA that if it still sought to evict Pratt based on the same incident, it must provide her with a cure notice.

### SECTION 8

#### Rejection of Tenant Based on Credit History Doesn't Violate New Jersey Housing Discrimination Law

A landlord's rejection of a Section 8 tenant's lease application based on a formula that evaluated creditworthiness did not violate state housing discrimination laws, ruled the New Jersey Superior Court, Appellate Division. (*Miller v. Brookside at Somerville, LLC*, 2008 WL 351338 (N.J.Super.A.D.), February 11, 2008)

Plaintiff William Miller brought an action against defendant Brookside at Somerville, LLC after Brookside denied his rental application, based on a computer-generated, neutral analysis that screens an applicant's credit history, landlord-tenant history, income, and criminal background. Plaintiff's application score did not meet the landlord's standard, and Brookside denied the application.

Miller sought injunctive relief, alleging that Brookside discriminated against him in violation of the New Jersey Law Against Discrimination (NJLAD) because Miller received a Section 8 subsidy. Miller also claimed that Brookside failed to examine his actual credit history, but relied on misinformation provided by a third-party credit reporting agency. The trial court denied Miller's request for injunctive relief because it determined that he was unlikely to succeed on the merits of his claim.

### Court Ruling

Although Miller claimed Brookside discriminated against him because he was a Section 8 voucher holder, the appellate court noted that approximately 40 tenants with Section 8 vouchers lived in the complex. Defendant also said that even counting Miller's Section 8 income, his score fell short of defendant's criteria. Plaintiff also asserted that there were errors in the credit report.

The court said that Miller's arguments went to the ultimate merits of his claim, but this appeal was from the trial court's denial of his request for injunctive relief pending the adjudication of his claims.

Accordingly, the court said its review was limited to deciding whether the trial court properly exercised its discretion in denying the injunctive relief, and it affirmed the trial court ruling.

### Screening Process

Regarding Miller's claim that Brookside's screening process discriminated against him based on his source of income and violated the NJLAD, the court said it recognized that a landlord cannot refuse to accept a Section 8 voucher from a low-income tenant and cited several cases supporting this proposition.

Citing *Pasquince v. Brighton Arms Apartments*, 378 N.J. Super 588 (App.Div. 2005), the court said it also previously ruled that it was lawful for a landlord to use creditworthiness as a selection criterion for Section 8 tenants, and rejection of an application based on a poor credit history did not violate the NJLAD.

The court said the facts of the instant case are similar to *Pasquince*. Brookside used a formula that it applied uniformly to all prospective tenants, and the record does not show that Miller's Section 8 status adversely influenced Brookside's decision to reject his application.

Using a standardized, objective check of an applicant's creditworthiness is not only proper, but recommended, said the court, and it agreed that the trial court appropriately concluded that Brookside did not necessarily violate the NJLAD when it rejected Miller's lease application due to his inadequate credit score.

### Accuracy of Credit Report

Miller argued that Brookside should have conducted further research into his credit history to discern the correct information, but the court said that whether landlords must examine the validity of third-party credit checks is a fact-sensitive inquiry that was not at issue in the trial court's consideration of Miller's request for equitable relief.

The trial court was evaluating the likelihood of plaintiff's success on the merits, and the court said it found no mistaken exercise of discretion on the part of the trial court.

The court advised Miller that if he is not satisfied with the information in his credit report, he can either dispute the accuracy of the information in the report according to the Fair Credit Reporting Act or join the reporting agency as a party.

Given the limited parameters of this appeal, the court said it could not determine whether the credit report was

inaccurate and what effect those inaccuracies might have had on plaintiff's score.

The court affirmed and remanded to the trial court to explore the issues raised by the parties.

### SECTION 8

## Massachusetts Court Reverses Termination of Tenant's Subsidy

The Massachusetts Supreme Judicial Court, Essex, reversed the termination of a Section 8 tenant's subsidy, based on the failure of the housing authority's hearing officer to indicate in his written opinion that he understood he had discretion in ruling on this matter. (*Carter v. Lynn Housing Authority*, SJC-09785, 20008 WL 366497 (Mass.), February 13, 2008)

The Lynn Housing Authority (LHA) terminated Pamela Carter's Section 8 rent subsidy after a former landlord won a case against Carter in small claims court for excessive damage she caused in her apartment after the parties had mutually agreed to terminate her lease and the landlord had returned her security deposit and rent overcharges.

The hearing officer cited the facts of Carter's former breach (her failure to maintain housing quality standards) and terminated her subsidy. After a series of reversals at trial and in appellate courts, plaintiff, now represented by counsel, and the LHA filed cross-motions for summary judgment.

### Court Ruling

The court agreed that Section 8 tenants have a responsibility to maintain their properties according to housing quality standards and a public housing authority has the authority to terminate assistance if tenants violate this duty. Federal regulations also allow housing authorities, when determining whether to terminate assistance, to consider all relevant, mitigating circumstances.

The hearing officer must issue a written decision stating the reasons for the decision, and factual determinations must be based on a preponderance of the evidence presented.

The court found that the LHA did not comply with applicable regulations. The court said the hearing officer failed to indicate whether he found witnesses' testimony credible, whether he took into account the plaintiff's "economic fragility or disability" at the hearing, and that he recognized his discretion to consider mitigating factors.

### Relevant Circumstances

While agreeing with the LHA that the hearing officer is not required to consider all relevant circumstances, the court said that the hearing officer's opinion did not indicate whether he even knew he had discretionary authority to consider such circumstances.

Citing *Spence v. Gormley*, 387 Mass. 258 (1982), the court said that a tenant has a protected interest in her assisted housing tenancy, entitling her to fair procedures before the government can terminate it. The court concluded that the record in this case did not indicate that

the LHA afforded Carter fair procedures before terminating her Section 8 benefits.

The court remanded the case to the hearing officer, with instructions to give Carter the opportunity to produce evidence of relevant circumstances, to consider potentially mitigating circumstances, and to indicate in his ruling whether he chose to exercise discretion in the case.

### Dissent

In a lengthy dissent, Justice Roderick L. Ireland found that implicit in the hearing officer's decision was language indicating he considered evidence of mitigating circumstances presented by Carter, who had the burden of proof.

In addition, Justice Ireland found that the credibility and weight the hearing officer assigned the evidence also were implicit in his decision.

Further, he found that the hearing officer's consideration of mitigating factors, including the determination of the weight of each factor and the balancing of those factors against other evidence, was committed to his discretion.

Finally, Justice Ireland concluded that the hearing officer explicitly recognized he could exercise discretion in determining whether to terminate assistance. In his view, the hearing officer did all that federal regulations required him to do based on the evidence.

### LAND USE

## Challenge to Ordinance Regulating Conversion of Mobile Home Park To Resident Ownership Is Unripe

A mobile home park owner's challenge to a local ordinance regulating conversion of the park to resident ownership is not ripe, the U.S. District Court for the Northern District of California, San Jose Division, ruled, granting the city's motion to dismiss. (*Surf and Sand, LLC v. City of Capitola*, No. C 07-05043 RS, 2008 WL 413748 (N.D.Cal.), February 13, 2008)

Surf and Sand, LLC owns a mobile home park in the city of Capitola which has been covered for a number of years by the city's rent control ordinance (RCO) and park closure ordinance (PCO).

Because of concerns about the economic effects of those ordinances, Surf and Sand decided to subdivide the park and convert it to resident ownership under California Government Code Section 66427.5. In accordance with that statute, Surf and Sand initiated a residents' survey.

### Conversion Ordinance

The city then adopted another ordinance restricting park conversions.

The conversion ordinance creates a rebuttable presumption that a conversion is a sham unless a majority of the tenants vote for it.

Surf and Sand filed suit, arguing that the conversion ordinance, particularly in conjunction with the RCO and PCO, will prevent its realization of the true economic

value of the property and that it has been deprived of certain constitutional rights.

The court noted that any claims under the RCO and PCO would be time-barred, but it added that the gravamen of Surf and Sand's complaint is that the conversion ordinance should not be enforced.

Accordingly, the court focused its opinion on that issue and specifically on Surf and Sand's facial challenge to the ordinance.

### Court Ruling

In its motion to dismiss, the city contended that Surf and Sand's claims are not ripe because it hasn't sought compensation through procedures provided by the state, as required under *Williamson County Regional Planning Commission v. Hamilton Bank*, 473 U.S. 172 (1985).

However, the court agreed with Surf and Sand that *Williamson* applies only to its public takings claim and that there is no requirement to seek state compensation under its due process, equal protection, and private takings claims.

Nevertheless, the court said, "those claims are also unripe for a more fundamental reason."

The court pointed out that Surf and Sand hasn't alleged that it has carried out a tenant survey, that a majority of the tenants oppose the conversion plan, or that it has attempted to rebut the presumption of a sham conversion that would arise from such a survey result.

The court said it might be reasonable for Surf and Sand to assume that most tenants would oppose conversion and that the city would try to discredit any effort to rebut the presumption of a sham.

"Until and unless Surf and Sand makes such an effort, however, it simply cannot be known whether the Conversion Ordinance will have the effect Surf and Sand fears," the court said. "Accordingly, all of Surf and Sand's claims are unripe and must be dismissed."

## Courts in Brief

**The U.S. Supreme Court has let stand a Fifth Circuit ruling** that property owners suffering flood damage from Hurricane Katrina when levees broke can't recover losses under insurance policies with flood exclusions, even if negligence caused the breaks. The Court denied certiorari in two of the four cases consolidated in the Katrina litigation. (*Xavier University of Louisiana v. Travelers Casualty Property Co.*, No. 07-711, *Chehardy v. Allstate Indemnity Co.*, No. 07-713, February 19, 2008; for background, see *Current Developments*, Vol. 35, No. CD-16, p. 505.)

**The U.S. Court of Appeals for the Fourth Circuit affirmed a district court ruling** that a landlord's decision to terminate an African-American tenant's lease under a policy of phasing out participation in the Section 8 program did not constitute racial discrimination. (*Wadley v. Park at Landmark LP*, No. 07-1458, 2008 WL 398984 (4th Cir.(Va.)), February 12, 2008; for background, see *Current Developments*, Vol. 35, No. CD-4, p. 122.)

In a per curiam decision, which is not binding prece-

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## Low-income renters being squeezed out

By Dana Bartholomew, Staff Writer

Article Last Updated: 03/11/2008 11:39:48 PM PDT

In a blow to some of the Valley's poorest people, nearly 50 mostly senior and disabled tenants are being forced out of their apartments by landlords seeking to flee city rent control and subsidized housing.

Renters in Reseda, Northridge and North Hollywood who get federal Section 8 subsidies have been told to pay full market rates or get out, tenants, city officials and housing advocates said.

Though there are 45 documented cases, 115 tenants in four complexes could get 90-day notices that demand as much as \$900 more a month in rent, or face eviction.

With few Section 8 rentals available in the Valley, tenants might have to uproot to the east, south and harbor areas of Los Angeles.

"We're going to be living on the street," said Laura Cloud, 47, a stroke victim with an unemployed husband and two daughters at Kingswood Village apartments in Reseda, who was given until April 25 to pay up or leave. "I'm lost for words. I'm very upset. I can't explain the feelings I feel. But I

don't want to be in a shelter."

Section 8 evictions are on the rise across L.A., where rents soared an annual 5.5percent in the third quarter of last year and only 3percent of apartments are vacant. As a result, some landlords have sought to bypass rent control by opting out of the program.

Tenant advocates and city housing officials say some landlords are breaking the law by forcing out existing Section 8 tenants.

Landlord and tenant groups hotly debate the legality of evicting Section 8 tenants under Los Angeles' rent-control ordinance. Both sides hope the issue will be resolved in numerous court cases and appeals, one of which is now before the 9th U.S. Circuit Court of Appeals.

Apartment industry officials say the city's Housing Authority, which administers federal Section 8 subsidies, has been unresponsive to the needs of the city's mostly mom-and-pop apartment owners.

And caught in the middle are renters like Ruth Hordyk, 80, a Section 8 tenant who suffers from arthritis and Parkinson's disease.

One of the 48 tenants at Kingswood Village who receive Section 8 subsidies, for five years she has paid \$221 a month for a \$750 one-bedroom unit from the \$800 a month she gets from Social Security.

In January, she received a 90-day notice to

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either pay \$1,000 a month or move.

"I don't have that much income," she said.  
"I don't have very much of a backup plan. I need to see several doctors. I'm so tired."

Ron Gussow, 64, who uses a wheelchair, was one of the lucky ones. He got a notice but managed to find another Section 8 unit in Reseda.

"It's a very rough life," said Gussow, crying at the memory of the year he lived on the street. "It's something I don't want to do. Ever again."

Officials at Century Quality Management who manage Kingswood Village did not return calls for comment.

The Fair Housing Council of the San Fernando Valley, which is investigating Kingswood Village and other Section 8 program evictions, said the landlord cut its Section 8 rentals after failing to apply for - and get - a cumulative three-year rent increase under the city's rent-control ordinance.

"We've never seen so many (Section 8) evictions at one time," said Sharon Kinlaw, assistant director for the Fair Housing Council and lead investigator in Section 8 cases.

"We're concerned primarily for the persons with disabilities. ... All their support systems are there - doctors, neighbors that help them, food and social service agencies."

The Housing Authority of Los Angeles receives about \$380million a year from the U.S. Department of Housing and Urban Development for Section 8 vouchers.

In all, the city supplies 44,000 apartment vouchers for families. Of the 16,000 landlords who have contracted to accept Section 8 tenants, only 8,000 apartments are available in the Valley.

A recent Section 8 apartment in Canoga Park drew 214 applicants for just one vacancy.

Housing Authority officials maintain that, despite the 90-day notices, the agency is committed to helping families. If they move, they'll still get rent vouchers. If they stay, landlords will be paid while their disputes are settled by legal-aid attorneys.

"We are sending out notices to the owners that they cannot terminate a contract by providing a 90-day notice - it is breaking contract law," said Lourdes Castro-Ramirez, director of the authority's Section 8 program.

Tenant advocates, however, say landlords are picking on Section 8 renters to free up rent-control units to market rates. But they say if tenants haven't broken any rent-control laws, they can't be booted from the Section 8 contract.

"We see this throughout the city: Landlords who are attempting to get out of their Section 8 contracts are giving out blanket 90-day notices.

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This is illegal," said Larry Gross of the Coalition for Economic Survival.

"There are 44,000 Section 8 voucher holders in Los Angeles - all of them are at risk."

But while apartment-industry officials couldn't comment on the Kingswood case, they said the Housing Authority has exacerbated the city's affordable-housing crisis by not being receptive to landlords.

Cloud and her husband, David Cox, received three increases on the same day for their Kingswood Village apartment. Their rent went from \$400 to \$1,300.

"We're barely scraping by right now," said Cox, 41, in an apartment filled with recycled cans. "We can't afford to move. We don't have a car. We take the bus. We've got two kids, two young daughters.

"I grew up in the Valley. I can't leave it."

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# HUD Secretary Addresses Homeowners' Crisis



Francis Taylor for Sentinel Photo

HUD Secretary Alphonso Jackson (left) and John Hope Bryant, founder, chairman and CEO of Operation HOPE (far-right) greets a local entrepreneur at a symposium to address issues related to sub-prime interest lending.

BY FRANCIS TAYLOR  
Sentinel Staff Writer

Throughout our history there have been individuals whose wisdom, vision, and results-orientation help deliver some of us to a new level of consciousness. We recognize them when we listen to them speak, observe the measurable contributions they make towards our empowerment, and transfer their passion for our growth, or in the case of John Hope Bryant, our financial awareness, preservation, and freedom.

Bryant, chairman and founder of the global financial literacy organization, Operation HOPE and vice chairman of the U.S. President's Advisory Council on Financial Literacy, recently hosted several community-based meetings in Los Angeles to address the problems associated with the sub-prime lending market, tactics individuals may employ to save their homes, and legislative initiatives that are available to help those who may be 'upside down' with their current home mortgage.

As part of the HOPE Alliance Initiative, Bryant enlisted the aid of Los Angeles Mayor Antonio Villaraigosa, as well as other notable elected officials, to welcome his distinguished, White House guest, the U.S. Secretary of the Housing and Urban Development, Alphonso Jackson, who

delivered the keynote address at West Angeles Church of God In Christ, to a packed audience in Bishop Blake's sprawling community room on Crenshaw Boulevard.

During Bryant's opening and welcoming remarks, his passion for financial empowerment to those less-well endowed amongst us became immediately clear. Though he did not boast about his numerous awards, commendations, international accolades or the \$400 million he raised from the private

sector to empower the poor, there was no doubt that he is a man, as President Clinton described, who is "completely positive in his belief in the potential of poor people to prosper, with a 'hand up and not a hand out.'"

Pointing-out that none of know anyone with an incoming 800 telephone number, referring to creditors who persistently call to collect on delinquent loan and credit payments, Bryant indicated that you cannot have a rainbow without a storm suggesting that if you do not respond to those calls, the problem only gets worse.

"Sub-prime lending is not evil," Bryant said, referring to the current crisis where Los Angeles has seen a 430 percent increase in home foreclosure rates. "There are irresponsible, financially illiterate and predatory sub-prime lenders, who must be addressed."

During his presentation to the filled auditorium at one of our community's most celebrated churches, Jackson, an expert on public housing and urban issues and a member of the Bush Administration since 2001 and the nation's 13th Secretary of HUD since 2004, chose to visit our community of South Los Angeles for his important announcement about new Federal Housing Administration guidelines.

He announced that those who want or need a mortgage purchase loan or refinance may go as high as \$720,000, which is more than a doubling of the FHA high limit lending guidelines, and is particularly significant for areas such as Los Angeles County and Orange County where average home prices are \$500,000 and higher.

"I commend President George W. Bush and Secretary Jackson for making this happen," Bryant said. "These new FHA guidelines have the potential of securing new mortgages for as many as 30,000 Californians and 250,000 homeowners nationwide."

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## **Assisted Housing**

### ***Near-Riot At Sec. 8 Handout***

Florida: Boca Raton Housing Authority (BRHA) officials advertised 600 available Sec. 8 housing vouchers to be distributed on a first-come, first-served basis March 12.

They didn't anticipate the more than 2,000 hopefuls who would show up. The resulting fracas with police in riot gear drew a terse admonishment from HUD.

When BRHA sent out the word, people began lining up at 5 p.m. the day before to get an application. The crowd grew to unmanageable proportions in a few hours, prompting BRHA to distribute the applications early.

By 2 a.m., all were gone except 200 reserved for elderly and disabled applicants. That crowd dispersed but hundreds showed up at the originally advertised 9 a.m. distribution time, including hopefuls from north Florida and Georgia.

When hopefuls discovered all available applications had been handed out hours earlier, fighting ensued. Police had anticipated trouble and had summoned paramedics and firefighters to stand by.

Two people were arrested and at least eight were hospitalized for exhaustion, but the crowd was dispersed.

HUD regional officials told BRHA to redo its application procedure to hold distribution at the time advertised.

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### ***Sec. 8 Scam Uncovered***

Illinois: A scam which allegedly started at the Kansas City Housing Authority was broken up by HUD police at the Aurora Housing Authority (AHA).

The HUD probe in Kansas City uncovered fake Sec. 8 vouchers whose recipients

had relocated to Aurora. HUD agents tracked down 11 families who had been illegally receiving subsidies, including eight at Aurora.

By moving to another location, the scammers were able to mask the phony vouchers, thereby costing AHA about \$30,000 in illegal payments.

Sec. 8 subsidies will be ended for the eight families after they are served with a 30-day notice. They then can appeal. Aurora officials say the government must assume the voucher holders thought they possessed legitimate vouchers, thus allowing the appeal.

But sources tell HAL most holders knew the vouchers were phony and an appeal isn't anticipated.

In another move, HUD investigators reportedly have obtained information that the Kansas City/Aurora fraud isn't limited to the two cities and there possibly is a national effort to defraud HUD with phony vouchers.

03/14/2008 12:17 PM

**Congress**

### ***HUD Hearings A Sharp Contrast***

What was expected to be a heady confrontation between HUD Secy. Alphonso Jackson and House Financial Services Committee members evolved into a love fest March 11.

On the other side of Capitol Hill the following day, what was anticipated as a genial meeting to discuss HUD's financial woes turned into battle royale.

HUD's senior executives lined up this week ostensibly to discuss the department's needs and the Office of Management & Budget's (OMB) FY 2009 spending plan for its programs.

Aside from scattered references to the financial squeeze on public housing programs, Community Development Block Grants and housing for seniors and the disabled, the two hearings amounted to center stage for the embattled Jackson.

On the House side, lawmakers uncharacteristically lobbed softball questions in Jackson's direction, taking their cue from an unusually acquiescent Chairman Barney Frank (D-MA).

Frank, who had vowed to take Jackson to task for allowing Mississippi Gov. Haley Barbour (R) to divert \$600 million of hurricane emergency funding for low-income housing restoration to a pet port redevelopment project, appeared visually embarrassed by the outcome.

Making references to an oversight, Frank accepted blame for language in a supplemental appropriations bill a Republican-led committee crafted.

The language, or lack of it, allowed Barbour to siphon off the money from housing construction despite Jackson's misgivings and without objections from Democrats.

At the time, the committee was caught up in the Abramoff lobbying scandal, with then-housing subcommittee chairman Robert Ney (R-OH) enmeshed in activities that would lead him to prison. Then-Financial Services Chairman Michael Oxley (R-OH) added to the panel's political morass by opting for a lobbying career.

With no one paying particular attention, the legislative frenzy ultimately gave Barbour a massive loophole.

Housing subcommittee Chairwoman Maxine Waters (D-CA) displayed her best perturbed persona to tackle public housing woes in New Orleans, to little avail.

Lawmakers, sensing no hearing direction, opted to resume the public discourse sometime in April, following the congressional Easter break.

Senators, however, were in a feisty mood the following day, taking their cue from Senate Banking Chairman Christopher Dodd (D-CT).

Dodd, clearly in no mood to engage Jackson, calls the FY 2009 budget proposal the "silent housing crisis," accuses Jackson of failure as HUD secretary and promises investigations that will be "ongoing and rigorous." Dodd then bows out to attend a funeral.

Center stage goes to freshman Sen. Robert Casey (D-PA), who apparently has been itching to take Jackson on over the Philadelphia Housing Authority flap.

All of Casey's questions are rebuffed by Jackson, who claims HUD lawyers cautioned him against such answers after a Philadelphia federal judge muzzles all involved in the lawsuit (*HAL*, Issue 08-10).

After a few plaudits from Republican Sen. Wayne Allard (CO) and an apologia from former HUD secretary, now Sen. Mel Martinez (R-FL), Jackson gets a

reprieve from further grilling because of a previously scheduled appointment.

03/12/2008 3:49 PM

## **Heard at HUD**

### ***'Stonewall' Jackson Irks Lawmakers***

In less than 48 hours, HUD Secy. Alphonso Jackson scrambles to assemble proper evasive responses to questions from House and Senate lawmakers about alleged HUD bullying of Philadelphia Housing Authority (PHA) officials.

On March 11 and 12, Jackson told members of the House Financial Services and Senate Banking committees he had to stonewall their questions because a Philadelphia federal judge had muzzled principles in a lawsuit brought by PHA Executive Director Carl Greene against HUD.

By Thursday, March 13, Jackson aides had changed his response to one of denial because investigators have to finish their job before questions can be answered.

The reason for the new flourish: Sen. Arlen Specter (R-PA) discovered there was no muzzle applied in the lawsuit.

Despite the embarrassment among HUD officials over the stonewalling embellishment, Jackson continued to refuse to answer questions by repeatedly reading from a prepared text.

Specter's frustration was apparent, as was that of Senate HUD appropriations subcommittee Chairwoman Patty Murray (D-WA).

03/14/2008 12 PM

## ***Another HUD Computer Glitch***

One week after HUD's troubled Subsidy & Grants Information System finally was restored after more than six weeks on the computer software restoration shelf (HAL, Issue 08-10), another program freezes placing 700 public housing authorities and other Sec. 8 providers in computer limbo.

HUD is mum on why it took the department almost two weeks to discover the glitch, but the stoppage didn't last as long this time.

Early March 10, HUD posted a frantic notice on its Web site saying the Voucher Management System (VMS) malfunctioned at the end of February, leaving 700 providers showing zero leased Sec. 8 units.

VMS is used by HUD to evaluate reporting rates and take back certain administrative fees if a provider reports fewer than 95% of vouchers in use.

Providers were assured "no adverse actions will be taken against housing agencies due to this system glitch," in HUD's memo to agencies.

By Thursday, March 13, the system was up and running again.

03/14/2008 12:51 PM

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## ***Jackson Off Philly Legal Hook***

Pennsylvania: HUD Secy. Alphonso Jackson no longer faces the defendant's chair in a lawsuit against the department by the Philadelphia Housing Authority (PHA) on May 20.

U.S. District Judge Paul Diamond excuses Jackson from testifying about his dealings with Kenny Gamble, a music impresario and Jackson friend, over a \$2 million piece of property Gamble wanted from PHA at a discount.

The lawsuit brought by PHA Executive Director Carl Greene accuses Jackson of retaliating against PHA after the agency refused to be involved in the land deal.

Following the refusal, HUD cited PHA for failure to provide sufficient housing for the disabled. The citation came on the same day then Asst. Secy. For Public & Indian Housing Orlando Cabrera and Asst. Secy. For Fair Housing & Equal Opportunity Kim Kendrick exchanged e-mails mapping a plan to make Greene's

life miserable by eliminating the agency's qualification for HUD's Moving to Work Program.

The Cabrera-Kendrick plan would strip PHA, considered one of the nation's model public housing operations, of \$50 million and its flexibility with its budget and programs.

Lawyers for HUD argue that Jackson had no involvement with PHA's compliance review. Since the lawsuit focuses on HUD's attempt to curb PHA's activities rather than on the proposed land deal, Diamond rules that Jackson wasn't involved in the compliance review and the two issues are unrelated.

The ruling absolves Jackson from giving a deposition as well and Diamond limited the number of depositions the housing authority can take during discovery, too.

03/14/2008 1:03 PM

## **Lead Paint**

### ***State Maps Lead Paint Assault***

Maryland: A measure wending its way through the state House would hold all lead paint manufacturers responsible for monetary damages regardless of which paint maker was responsible for a single incident of lead poisoning.

HB 1241, drafted by Delegate Sandy Rosenberg (D), would remove what Rosenberg considers an unrealistic standard of proof.

Under existing law, lead poisoning victims must identify the specific paint manufacturer responsible for lead paint in a structure.

The proposal would remove the requirement. It would allow victims to prove only that lead paint manufacturers were producing paint at the time of the alleged poisoning.

Any manufacturer found liable under HB 1241 would be responsible for its contribution to the overall risk posed.

The bill would establish a Lead Paint Restitution Fund financed with settlements and awards received by the state. It would require manufacturers to reimburse the state's Medicaid program for all health costs related to lead poisoning of victims

who receive awards or settlements.

03/14/2008 12:47 PM

### ***Jackson: PHAs Have Enough Money***

Public housing authorities (PHAs) have enough money for daily operations, says HUD Secy. Alphonso Jackson.

Jackson's declaration is made before the Senate Banking Committee March 12, in what amounted to one of the very few questions pertaining to HUD's FY 2009 spending proposal.

Jackson tells the assemblage PHAs told him "they can make ends meet." The declaration is met with an audible gasp from the audience, mostly public housing industry representatives.

The FY 2009 budget proposal calls for a 19% cut in operating funding, taking PHAs operating budget to 81% of what the agencies claim is a minimum subsidy to keep operations intact.

The cut follows the present 84% of need now financing operations. Operational cuts since the Bush administration took power in 2001 have had the same cumulative effect.

03/12/2008 3:51 PM

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### ***Public Housing Limits Studied***

Illinois: The Chicago Housing Authority (CHA) wants to limit how long a tenant can remain in a public housing unit.

A CHA proposal would consider public housing as halfway homes rather than permanent housing. While a specific time limit hasn't been established, the Philadelphia Housing Authority has a model program setting a seven-year limit for tenants.

The CHA plan would require adult tenants to find employment or pursue education, requirements already embodied in HUD rules under the Quality Housing & Work Responsibility Act.



CHA officials say there are no plans to implement time limits any time soon. The proposal will be on the CHA board meeting agenda in April.

03/14/2008 12:43 PM

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### ***Whistleblower Lawsuit Over Romance***

California: Claiming they were fired for reporting an inappropriate office romance, three former Fresno Housing Authority workers sue the agency.

The workers say they have dozens of e-mails allegedly written by the authority's former executive director and his mistress, a computer department employee.

One e-mail ostensibly describes plans to fire one of the employees for taking sides in the issue. Other e-mails allegedly describe plots to rid the agency of all three employees, including one plan to outsource the computer department to achieve such a result.

The executive director quit when the relationship became public.

03/14/2008 12:45 PM

## NAHRO Monitor: March 15, 2008

### *Asset Management Bill Delayed*

The passage of legislation to mitigate the more egregious aspects of asset management implementation was stymied on Feb. 26 by a surprise procedural motion offered by Rep. Bachmann (R-Minn.). The motion, ostensibly designed to stop PHAs from prohibiting gun ownership in public housing, sent the bill back to the House Financial Services Committee for reconsideration, essentially a tactic to stall passage of the legislation. By blocking passage, the motion achieved the goals of a Statement of Administration Policy ([www.whitehouse.gov/omb/legislative/sap/110-2/saphr3521-r.pdf](http://www.whitehouse.gov/omb/legislative/sap/110-2/saphr3521-r.pdf)) strongly opposing H.R. 3521.

Among other things, the legislation would have increased to 500 and made permanent a provision (currently in law) raising the asset management exemption threshold for smaller agencies from 250 units to 400 units.

It remained unclear following the events of Feb. 26 whether an attempt to bring the bill back to committee and subsequently back to the floor would be undertaken. Discussions during this period between the industry, bill sponsor Sires (D-N.J.), Financial Services Committee Chairman Frank (D-Mass.) and Housing Subcommittee Chairwoman Waters (D-Calif.), however, continued.

At press time, a new bill containing all of the underlying provisions of H.R. 3521 and addressing the gun ownership issue is being readied. Additional provisions, such as the reauthorization of PHDEP, are also under discussion. Readers should note that this replacement bill would have to be newly considered by the Financial Services Committee and ultimately be approved by the full House. There is no similar legislation currently under consideration in the Senate, although talks with possible bill sponsors are underway. If an asset management bill does not move this year, NAHRO will work to ensure that the provisions contained in the FY 2008 omnibus appropriation are sustained in FY 2009. These were provisions providing for an exemption for smaller agencies with less than 400 units and the ability to use capital fund dollars as necessary for central office costs. We will report additional information about this legislation as it becomes available.

*April is Housing America Month!*

The Housing America Campaign is a coalition of public, private and non-profit advocacy groups, and will now be considered a year-round enterprise. That said, there is a benefit to having activities across the country peak at a given time to encourage a true campaign spirit, to provide focus and continuity for the nationwide effort as a whole and to garner as much attention as possible based upon the sheer number of events happening at one time. Accordingly, NAHRO has designated the month of April as Housing America month. Throughout the month of April, we hope to have as much attention and focus on the affordable housing and community development needs of our communities as possible.

We hope that regional and state chapters of NAHRO will have time to plan either a concentrated effort in April or a variety of events throughout the year. TO aid you in your efforts, see the Housing America toolkit at [www.nahro.org/legislative/housing\\_america/toolkit.pdf](http://www.nahro.org/legislative/housing_america/toolkit.pdf), and the Housing America 2007 scrapbook at [www.nahro.org/legislative/housing\\_america/scrapbook.pdf](http://www.nahro.org/legislative/housing_america/scrapbook.pdf). For more information, or if you have questions, contact Beth Cooper or John Bohm at 202-289-3500.

### *Section Eight Voucher Reform Act of 2008 Introduced*

On March 3 Senator Christopher Dodd (D-Conn.), Chair of the Senate Banking, Housing and Urban Affairs Com-mittee, with four co-sponsors, introduced the "Section Eight Voucher Reform Act of 2008" as S. 2684. The bill is directed primarily to the Section 8 Housing Choice Voucher program, but also modifies 1937 Housing Act provisions relating to house-hold rents and recertifi-cations that are applicable to Section 8 project-based programs and to public housing.

The four original co-sponsors are Sen. Schumer (D-N.Y.), Sen. Reed (D-R.I.), Sen. Brown (D-Ohio), and Sen. Menendez (D-N.J.). During introduction of the bill, Sen. Dodd said, "While housing vouchers are a critical tool, the program needs to be updated so that additional families can benefit, and so that taxpayer dollars are spent more efficiently. The voucher reform bill that I am introducing today will help attract additional private landlords, reduce admini-strative burdens, and help more families achieve self-sufficiency."

The House passed the "Section Eight Voucher Reform Act of 2007" (H.R. 1851) on July 12, 2007 by a strong bipartisan vote of 333-83. NAHRO's coverage of H.R. 1851 at

[www.nahro.org/members/news/2007/070715a.cfm](http://www.nahro.org/members/news/2007/070715a.cfm) provides a detailed summary of the amendment votes, conference report and other information related to the bill.

NAHRO has prepared a matrix at [www.nahro.org/members/news/2008/hr1851\\_anal.pdf](http://www.nahro.org/members/news/2008/hr1851_anal.pdf) comparing S. 2684 with the house-passed SEVRA (H.R. 1851). NAHRO encourages its members to review our SEVRA matrix and to contact members of the National Housing Committee or NAHRO staff with your thoughts about S. 2684. NAHRO staff may be contacted at [jzimmerman@nahro.org](mailto:jzimmerman@nahro.org).

## Residents say they bought phony vouchers

By MARISELA SANTANA, Staff Writer

**About 250 people apparently paid between \$950 and \$1,500 for fraudulent Section 8 housing vouchers through people they said were affiliated with the World Literacy Crusade.**

COMPTON — Deputies from the Compton Sheriff's Station were called to the World Literacy Crusade International headquarters late Monday afternoon where about 100 people gathered to protest fraudulent Section 8 vouchers they said they were sold for between \$950 and \$1,500 apiece.

Founded by former Lynwood City Councilman Alfreddie Johnson Jr., the World Literacy Crusade is a nonprofit grassroots literacy movement formed in 1992.

According to a sheriff's deputy who spoke to the crowd using a bullhorn, the people selling the fraudulent vouchers were not employees of the World Literacy Crusade.

The deputy told protestors the World Literacy Crusade was also a victim of the alleged fraud.

Hanan Islam, the crusade's executive director, had to be escorted into the building at 3209 N. Alameda St. by deputies after a verbal confrontation with several of the angry protesters.

While the details of the scam and how it was played out are still sketchy, it appears that Islam, who refused to speak to a reporter, was only serving as a subcontractor for other individuals.

Islam told several people in the crowd that she didn't know the vouchers were phony. She also said she could not return their money, even though she personally wrote receipts to some of the 250 people who apparently bought into the scam. Some said that Islam told them to call the Long Beach Housing Authority or the Los Angeles County Housing Authority.

By about 6 p.m., the crowd, which was called a "mob" by one deputy, had dwindled to about 50 people, most of whom were women.

One of the apparent victims, Desiree Blount, said she hadn't been associated with the World Literacy Crusade for more than a year, but she couldn't help but be excited about an offer to buy a Section 8 voucher for \$950 when she was called two weeks ago by someone she said was from the crusade.

"They told me it was like a deposit we'd be making for a Section 8 voucher," Blount said. "They said come down with the money, it's a legitimate voucher. A lot of us trusted their word, because they've helped our children with tutoring, and they even have church here on Sundays."

Little did Blount or the other victims, know that the vouchers were phony. Most found out on March 14, when landlords tried to contact the crusade.

"Hanan is telling us that she doesn't know where the money is," another victim, Juanita Heath, said. "[But] she should know. I put my money in her hand. Before they took our money, they should have done their research into those vouchers."

Most in the crowd had the same voucher they received upon payment, which was signed by someone named Barbara Jones. They also had a receipt with the amount that was paid. Some said \$950, other said \$1,250. One man said he paid \$1,500.

By Tuesday morning, Deborah Scott, a public liaison for the county Housing Authority, had heard of the fraudulent vouchers and said it was unfortunate that this was happening to people.

But Bobbette Glover, assistant executive director of the county Community Development Commission, said there was nothing the county could do to help the people.

Glover said vouchers for Section 8 are not sold and that their sale is a clear violation of federal regulations.

"It is illegal to sell Section 8 vouchers," Glover said. "They are not available for sale. To get them, one has to be on a waiting list, one has to qualify. If people did pay for vouchers, it's unfortunate, because there is no fee for Section 8 vouchers. If they paid, I'm very sorry that they did that because it doesn't get them a voucher. It's very unfortunate [that] people were put in that position."

Glover said it was apparent to her that the people were "taken advantage of."

Heath and the rest of the crowd said they would have liked for Islam to give them an explanation of what was going on, where their money was and what she and the crusade would do to get their money back.

"A lot of us gave our last month's notice," Heath said. "We gave our rent money to get these vouchers. Some of us are going to be homeless because of this scam."

"People are stuck out in the cold," Ruby Allen. "They didn't do this to rich people. They did this to poor people. People borrowed money, people didn't pay rent, they didn't buy food, they walked to work to get this money together, and this is what we get. It's horrible what they've done to us. Some of us now have nowhere to go. We're going to be homeless."

"People even sold their cars to come up with the money," Shonda Taylor said.

Deneitra Hobart said one of the deputies told her "she should have known better" than to pay cash for a Section 8 voucher.

"We didn't know. Why would we know?" she said. "All we know is that a voucher would help us have better homes. I've never had my own place, but I thought I was going to get one."

Hobart and the rest of the crowd said they paid cash, because the people selling the vouchers were not accepting checks or money orders. "They wanted cash," Hobart said.

Deidra Rupert paid \$950 for her voucher.

"I don't think it matters that these people all of the sudden don't work here," Rupert said. "Someone needs to be accountable. Someone needs to give us our money back. The World Literacy Crusade was speaking on their behalf. They even had a workshop before we signed and paid to tell us that the program was legit. They are not the victims, they should be arrested."

The city of Compton's Housing Authority had not heard about the phony vouchers until contacted by a reporter.

Letitia Booker, assistant to Harriet Robinson, the director there, said she hasn't heard anything about phony Section 8 vouchers.

The county's Glover said to get an official Section 8 voucher, people will have to apply to their own respective housing authority and add their names onto waiting lists like everybody else.

"They told us over and over that this was not a scam," Rupert said. "One thing is for sure, it is a learning experience. We don't have money to give away like that. That money came out of my kid's pockets, from the food on their table, off their backs, and now we don't have anywhere to stay. I've already given my 30-day notice and I've paid \$25 here, and \$25 there for credit checks when I was looking for a place. Well, now I found one, and they approved me, but now there's no Section 8 voucher. How can anyone do this to people?"

The people remaining outside the World Literacy Crusade Monday at 6:30 p.m. were asked to line up between the rows of parked cars to receive their criminal report number and told they would be contacted by a detective.

After that, the deputy over the bullhorn told the crowd, "you guys can get in your vehicles and leave and file a complaint with the Housing Authority if you wish. ... That's going to be something between you and them."